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AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

SPECIAL MEETING

DEC 3 1 1999

January 4, 2000
1:30 P.M.

SAN FRANCISCO
PUBLIC LIBRARY

1155 Market Street, Room 402

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to the Main Library on Grove, Larkin, Fulton and Hyde Streets.

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San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Y2K Report
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

9. Discussion and possible action related to the selection panel for the Program Management Consultant. (Moran)

Staff Recommendation: Approve the individuals nominated by the General Manager for the 5th and 6th selection panelists for the Program Management Consultant.

10. Discussion and possible action related to the Program Management Consultant Evaluation Panel Interview Procedures. (Wong)

Staff Recommendation: Approve the Program Management Consultant Evaluation Panel Interview Procedures.

11. Discussion and possible action related to determining the order of presentation by the proposal teams to the Program Management Selection Panel. (Wong)

Staff Recommendation: Conduct a drawing.

12. Discussion and possible action related to the Citizens Advisory Committee on Wastewater Management. (Moran)

Staff Recommendation: Direct the General Manager to develop a Board of Supervisors Ordinance to amend the existing code and provide for reconstitution of the Citizens Advisory Committee.

13. Introduction of the FY 2000/2001 Budget. (Berry)

14. Discussion and possible action related to the SFPUC Housing Policy. (Continued from the meeting of December 14, 1999.) (Klein)

Staff Recommendation: Modify the existing housing policy; establish three classes of housing usage; establish rental rates for each class of occupant; and require residents to pay for metered utilities and other services at rates established by the Public Utilities Commission.

15. Discussion and possible action related to the Lake Merced Task Force Memorandum of Understanding. (Carlin)

Staff Recommendation: Endorse the Lake Merced Task Force Memorandum of Understanding and authorize assignment of staff and resources to support the activity of the Task Force.

16. Presentation of the Final Conceptual Engineering Report for Phase 2 of the Sunol Valley Water Treatment Plant Improvement Project. 7 mins. (Mallett)

LEASES AND PERMITS

17. Discussion and possible action related to the lease of 46,174 square feet of SFPUC land located on Bay Division Pipeline Nos. 1 and 2 right of way, Parcel 1211 in Fremont, Alameda County. (Dowd)

Staff Recommendation: Authorize a lease with Americana Apartments No. 2, as lessee, to be utilized for parking, recreation, and landscaping for an adjacent condominium complex for a term of ten years at an annual rental rate of \$4,404.

18. Discussion and possible action related to the lease of 61,090 square feet of SFPUC land located on Bay Division Pipeline Nos. 3 and 4 right of way, Parcel 211 in Mountain View, Santa Clara County. (Dowd)

Staff Recommendation: Authorize a lease with Parkview West Homeowners Association, as lessee, to be utilized for parking, patios and a pool recreation and lounge area for an adjacent condominium complex for a term of five years at an annual rental rate of \$3,570.05.

CONSTRUCTION CONTRACTS

Advertise

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-882, San Joaquin Pipeline No.2, Throttling Stations. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for Hetch Hetchy Water & Power Contract No. HH-882.

Award

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2220, Access and Fire Protection Upgrades at Harry Tracy Water Treatment Plant, Sunol Valley Water Treatment Plant, and San Antonio Pump Stations. (Quan)

Staff Recommendation: Award SFWD Contract No. WD-2220 to Seto's Construction, as the lowest responsive bidder, in the amount of \$1,099,600.

21. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Swanson)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2242R to Homer J. Olsen Inc. in the amount of \$4,327,465; and approve the transfer of \$1,558,342 from the closeout of various Water Enterprise projects to Tesla Portal and Thomas Shaft Disinfection Facility Project.

22. Discussion and possible action related to San Francisco Water Department Contract No. WD-2300, Irvington Portal Improvements. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2300 to Mitchell Engineering as the lowest responsive bidder, in the amount of \$346,372.

23. Discussion and possible action related to Clean Water Program Contract No. CW-130, Balboa Street and 3rd/20th/42nd Avenues Sewer Replacement. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-130, Balboa Street and 3rd/20th/42nd Avenues Sewer Replacement, to the lowest responsive and responsible bidder, D'Arcy & Harty Construction, in the amount of \$365,175.

24. Discussion and possible action related to Clean Water Program Contract No. CW-216, Oceanside Water Pollution Control Plant Parallel Electric Service Feeder. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-216, Oceanside Water Pollution Control Plant Parallel Electric Service Feeder, to W.F. Anderson Electric, Inc., the sole responsive and responsible bidder, in the amount of \$107,919.

25. Discussion and possible action related to Clean Water Program Contract No. CW-227, Southeast Water Pollution Control Plant Booster Pump Station Upgrade. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-227, Southeast Water Pollution Control Plant Booster Pump Station Upgrade, to Millard Tong Construction, Inc., the lowest responsive and responsible bidder, in the amount of \$4,976,753.

26. Discussion and possible action related to Clean Water Program Contract No. CW-231, Leavenworth Street Sewer Replacement. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-231, Leavenworth Street Sewer Replacement, to D'Arcy & Harty Construction, the lowest responsive and responsible bidder, in the amount of \$575,070.

27. Discussion and possible action related to Clean Water Program Contract No. CW-238, Peabody Street Sewer Replacement. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-238, Peabody Street Sewer Replacement, to D'Arcy & Harty Construction, the lowest responsive and responsible bidder, in the amount of \$77,597.

Amend

28. Discussion and possible action related to San Francisco Water Department Contract No. WD-2290, Sunol Water Temple: Phase I Building Restoration. (Quan)

Staff Recommendation: Approve additional funding of \$528,999; approve contract modification No. 1 in the amount of \$444,999 and extension of contract time by 90 calendar days; approve reallocation of \$269,000 from Millbrae North Building Project, \$200,000 from Millbrae Office – Rollins Road and Harry Tracy Water Treatment Plant/Quality and Reliability Enhancement Program Office Remodel Project, and \$60,000 from Environmental and Regulatory Compliance.

29. Discussion and possible action related to San Francisco Water Department Contract No. WD-2277, Sunol Valley Water Treatment Plant Decant Sump Modifications. (Quan)

Staff Recommendation: Approve Modification No. 1 to San Francisco Water Department Contract No. WD-2277, increasing the contract amount by \$13,453 for a total contract amount of \$406,453 and extending the time of completion for 21 calendar days.

Close

30. Discussion and possible action related to Clean Water Program Contract No. 1202N, North Point Water Pollution Control Plant Improvements – Phase 2. (Quan)

Staff Recommendation: Accept the work performed under Clean Water Program Contract No. 1202N, North Point Water Pollution Control Plant Improvements – Phase 2, as complete; and authorize final payment of \$25,000 to the contractor, Nationwide Construction Co./Shimmick Construction Co. (Joint Venture).

31. Discussion and possible action related to Clean Water Program Contract No. CW-134, North Point Water Pollution Control Plant – Repair of Outfall Diffusers. (Quan)

Staff Recommendation: Accept the work performed under Clean Water Program Contract No. CW-134 as complete; approve Contract Modification No. 1 in the credit amount of \$72,154 for a new total of \$1,204,846 and extension of 50 days; and authorize final payment for \$200,800 to the contractor, D'Arcy and Harty Construction.

32. Discussion and possible action related to Clean Water Program Contract No. CW-143, Cayuga Avenue/Dolores Street/York Street Sewer Replacement. (Quan)

Staff Recommendation: Accept the work performed under Clean Water Program Contract No. CW-143 as complete; approve Contract Modification No. 3 in the credit amount of \$10,180; and authorize final payment for \$39,854 to the contractor, Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

33. Discussion and possible action related to the San Francisco Water Supervisory Control and Data Acquisition (SCADA) Project, Contract No. CS-551. (Davidis)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to negotiate and execute an agreement with the highest ranked firm, CH2MHill/Ocampo Esta, JV, to provide construction management services for the San Francisco Water SCADA Project, for an amount not to exceed \$1,460,000 for a term of 24 months.

Amend

34. Discussion and possible action related to the agreement with Montgomery/Watson/Ellington/Ballofet Joint Venture to prepare the Water Supply Master Plan. (Williams)

Staff Recommendation: Authorize the Manager of System Planning, Environment and Compliance to execute Amendment No. 4 to the agreement with Montgomery/Watson/Ellington/Ballofet Joint Venture to extend the contract through June 8, 2000 at no additional cost.

Close

35. Discussion and possible action related to Contract CS-454, Specialized Corrosion Engineering Services. (dela Cruz)

Staff Recommendation: Extend the term of Contract CS-454, Specialized Corrosion Engineering Services to November 30, 1999; approve final payment of \$38,524.11 to M.J. Schiff & Associates, Inc. and Trans Pacific Geotechnical Consultants, Inc., a joint association; approve close out of Contract CS-454; and authorize the return of remaining encumbered funds of \$81,123.53 to Pipeline Cathodic Protection Project.

CLOSED SESSION

36. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

37. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Skyline Quarry, San Francisco Watershed Lands, San Mateo County
Parties Negotiating: CCSF – Dowd/Hickman
Permittee: San Francisco Police Department
Under Negotiation: MOU Renewal

38. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating: CCSF – Dowd/Milstein
Lessee: Mission Valley Rock/RMC Lonestar
Under Negotiation: Price and Terms

39. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c): (Clayton)

Anticipated Litigation: As Defendant

40. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

41. Public comments on matters to be discussed in Closed Session.
42. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

43. Announcement following Closed Session.
44. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

NOTICE OF REVISED MEETING SCHEDULE OF THE PUBLIC UTILITIES COMMISSION

Notice is hereby given that the Public Utilities Commission will hold regular and special meetings on the following dates and at the locations listed below:

<u>Date</u>	<u>Time</u>	<u>Location</u>
Tuesday, January 4, 2000	1:30 P.M.	1155 Market Street, Room 402
Tuesday, January 11, 2000	1:30 P.M.	1155 Market Street, Room 402
Thursday, January 20, 2000	1:30 P.M.	1155 Market Street, Room 402

Beginning January 25, 2000, the Public Utilities Commission will resume its regular meeting schedule of the second and fourth Tuesday of each month, at 1:30 P.M., in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place.

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Special

MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

SPECIAL MEETING

JAN 31 2000

January 4, 2000
1:30 P.M.

SAN FRANCISCO
PUBLIC LIBRARY

1155 Market Street, Room 402

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
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System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

ORDER OF BUSINESS:

1. Call to Order: 1:50 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Frank L. Cook, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras

3. Approval of Minutes

Moved by Commissioner Cook, seconded by President Caen, to adopt the following sets of Minutes: Regular Meeting of November 23, 1999; Special Meeting of December 3, 1999; Regular Meeting of December 14, 1999; and the Special Meeting of December 14, 1999; passed (4-0) unanimously.

4. Communications

There was no action taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Makras inquired about the status of Mr. Nate Ratner's request at the last PUC meeting on December 14, 1999. Anson B. Moran, General Manager of Public Utilities, responded that staff would send the information on Prop A and B to Mr. Ratner shortly.

6. Introduction of New Business by Commissioners

President Caen introduced the idea of preparing an agenda for the following year of policies that are to be established by the Commission. She will prepare a draft for discussion at the next meeting.

7. Report of the General Manager

- a. Y2K Report

Lawrence T. Klein, General Manager, Hetch Hetchy Water & Power, reported that there was no Y2K related events reported in the Emergency Operations Center or in any of PUC's critical operation facilities.

Commissioner Normandy thanked all players who conducted all the tests and investigations over the last two years and did it well and on time for it was through their efforts that there were no Y2K related problems. Mr. Moran noted that Public Utilities Commission is better prepared today for emergencies as our basic systems have been strengthened and our

emergency power capability significantly enhanced. He also thanked the 150 individuals who worked on New Year's Eve.

b. Watershed Keeper

Mr. Moran introduced Erick Digre, a Watershed Keeper, who helped sustain a pedestrian who had a heart attack in one of the hiking trails. The Commission congratulated Mr. Digre. Commissioner Cook suggested that a letter of merit be placed in Mr. Digre's personnel file.

Commissioner Normandy expressed thanks to Andrew DeGraca and Mike Conroy for competently responding to his request to test the quality of water delivered to a particular property.

Commissioner Normandy reiterated his suggestion to purchase portable defibrillators for major PUC offices so that we can respond to emergencies quicker. He suggested assigning someone to make sure that this is implemented as legislation has been passed to have defibrillators in places where the public congregates.

President Caen took the agenda out of order. Item 14 was deferred until after Closed Session. Item 16 was deferred until after the end of the Regular Agenda. Item 21 was proposed for continuance to January 11, 1999 due to a protest.

President Caen invited public comments for the items mentioned above. Statements from the public appear in the order the item was acted upon by the Commission.

REGULAR BUSINESS

21. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement.

Staff	Award San Francisco Water Department Contract No. WD-
Recommendation:	2242R to Homer J. Olsen Inc. in the amount of \$4,327,465; and approve the transfer of \$1,558,342 from the closeout of various Water Enterprise projects to Tesla Portal and Thomas Shaft Disinfection Facility Project.

Richard Schram, President of Schram Construction, requested the Commission to award the contract to Schram Construction as they were the lowest bidder. He said that PUC staff's recommendation changed to award the contract to the next low bidder due to HRC's revocation of Schram's LBE certification. He contended that his company was certified at the time of bid opening.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to continue Item 21 to the next PUC meeting scheduled for January 11, 2000; (4-0) unanimously.

8. Public Comments

Arthur Jensen, General Manager of the Bay Area Water Users Association, commented that the preparation for the Y2K roll over was excellent and commended PUC operating staff in keeping him aware that everything was secure.

REGULAR BUSINESS

9. Discussion and possible action related to the selection panel for the Program Management Consultant.

At today's meeting, Mr. Moran provided the Commission with a memorandum recommending two individuals to serve as the fifth and sixth member of the Program Management Selection Panel. Mr. Moran read the names as follows: Marty La Porte and Raynetta Curry Grant. Marty LaPorte, who is a biologist, geologist, and head of Utilities for Stanford, was nominated to replace the BAWUA representative who withdrew from the panel. Raynetta Curry Grant, who is currently Director of the Titusville Florida Water Resources Department, was nominated to fill the sixth position.

Commissioner Normandy and Commissioner Makras shared their views that the selection panel reflects the diversity that the Commission was looking for and the selection speaks well of the process.

Moved by Commissioner Makras, seconded by Commissioner Normandy to adopt the following resolution for Item 9; passed (4-0) unanimously.

Resolution No. 00-0001: Approve the individuals nominated by the General Manager for the 5th and 6th selection panelists for the Program Management Consultant.

10. Discussion and possible action related to the Program Management Consultant Evaluation Panel Interview Procedures.

Mr. Moran suggested changing procedure number 9 where it provides that appeals on the oral interview result be directed to the General Manager of Public Utilities. He stated that the General Manager should instead make a recommendation for Commission's final action in case an appeal is filed. Commissioner Normandy stated that the General Manager should work closely with the City Attorney so that appeals could be properly reviewed. Commissioner Makras expressed support in having appeals come to the Commission to allow better check and balance. He suggested that bidders sign a written agreement to the appeal process.

Commissioner Normandy expressed his opinion that having the Commission serve as the final arbiter on an appeal and have the ultimate decision in the selection of the program manager at the same time are two cross purposes working against us.

In response to questions raised regarding the appeal process, Vicki Clayton, Utilities General Counsel, commented that it is not legally required for bidders to sign on to the protest process but the Commission can ask the bidders to do it; however, it would open up to alternative proposals for protest procedures and that will take additional time. Ms. Clayton stated that if the protest relates to the procedure rather than the decision, a signed agreement would be the best option. She said that she does not have concerns that the procedure before the Commission is deficient in any way.

Commissioner Normandy expressed support for Commissioner Makras' suggestion to make the Commission the final arbiter but only if it is predicated on the staff and the City Attorney bringing the matter to the Commission with a recommendation. He stated that he would prefer to adopt the procedures as proposed and not require a written agreement from the bidders as it will only cause concomitant input and delays.

In response to Commissioner Makras concerns, Mr. Manfred Wong clarified that a HRC Compliance Officer will tally up the score and provide it to the project manager for final ranking after all interviews are completed. Commissioner Makras emphasized that scores should not be released until all interviews had been completed.

Commissioner Normandy asked for clarification in "ranking" and "scores". Mr. Moran explained that the panel will rank the firms and HRC will tabulate the scores. A list of bidders will be produced in rank order by scores.

Commissioner Makras inquired about the advantages of inviting just the two highest ranked proposers for Commission interview. He stated that opening the interview to four bidders provides a substantial value to the process. Mr. Wong noted that the RFP provides that the highest ranked proposers will be invited for Commission interview. Given that there is an evaluation panel, it would be best to allow them to do the first screening and reduce the number of bidders for Commission interview. Mr. Moran pointed out that the process was designed so that only the most qualified candidates will come to the Commission unranked. He stated that the benefit of passing all four bidders to the Commission is getting the panel's thoughts about the firms but that would imply that the panel would have to express the values in terms of scores. President Caen stated that the Commission should also consider the depth of interview they want to do. Commissioner Normandy stated that he was not in favor of the proposal that all four bidders come to the Commission because that is counter productive and will cause further delays to the process. He pointed out that the Commission should honor the work and experience of the panel and should make a decision on whom to award the contract and not probe further. If we failed to negotiate with the first one, we should then negotiate with the second proposer. Commissioner Makras stated that he would rather have a choice of four because narrowing our options to two may shortchange us by not giving ourselves opportunity to view challenging issues that the four bidders may present.

President called for a vote to adopt Item 8 of the Interview Procedure as written. President Caen, Commissioner Normandy and Commissioner Cook voted yes. Commissioner Makras voted no. Motion passed 3-1.

Moved by Commissioner Cook; seconded by President Caen, to approve the following resolution as amended; passed (3-1). Commissioner Makras voted no due to Item 8 of the Interview Procedure.

Resolution No. 00-0002: Approve the Program Management Consultant Evaluation Panel Interview Procedures.

11. Discussion and possible action related to determining the order of presentation by the proposal teams to the Program Management Selection Panel.

Staff recommended drawing names out of a hat to determine the order of presentation by the proposal teams. The Commission concurred. President Caen pulled each name successively out of a bucket. The order of presentation to the Program Management Selection Panel is as follows:

First:	H2O Team	January 13	11 a.m.
Second:	Montgomery Watson	January 13	2:30 p.m.
Third:	Parsons	January 14	8:30 a.m.
Fourth:	Bechtel	January 14	11:30 a.m.

Commissioner Makras suggested that the interview be scheduled at the same location for all bidders. Staff responded that all interviews would be conducted at 1155 Market.

12. Discussion and possible action related to the Citizens Advisory Committee on Wastewater Management.

Mr. Moran noted that the resolution had to be amended to direct the General Manager to draft a Board of Supervisors resolution rather than ordinance as originally indicated.

Alex Lantsberg, representing the Alliance for Clean Water Front, commented that they support fostering community involvement in policy development; however, the Alliance does not support a reconstitution of the Citizens Advisory Committee due to the following reasons: (1) it is untimely due to a new General Manager and new Commissioners will be appointed and may have different ways of conducting business; (2) the scope is too unwieldy to be effective for wastewater, capital improvement, Hetch Hetchy and water delivery issues; and (3) the proposal did not mention the Technical Advisory Committee, a very critical component in the City's wastewater problems. He urged that the General Manager of Public Utilities meet with the Alliance before developing new recommendations or policy changes.

Jane Nurre, Vice President and Secretary of the Citizens Advisory Committee (CAC) on Wastewater Management, stated that support of the recommendation to reconstitute CAC is a first step in regaining public confidence.

Nate Ratner commented that the CAC had been a network between the City government and the citizens of San Francisco. He recommended that the Citizens Advisory Committee involve the Clean Water Program and the Water Department and not Hetch Hetchy as Hetch Hetchy issues do not directly involve the citizens of San Francisco.

President Caen noted that a national search for a new General Manager would be conducted and the process may take several months. She stated that at the last meeting, the Commission expressed support to CAC's counsel and that was the reason behind the resolution proposed today. The resolution directs the General Manager to work with interested parties on how the Board of Supervisors resolution would read.

Commissioner Normandy suggested amending the resolution to direct the General Manager to confer with different parties and draft a resolution to be considered and approved by the Commission with the intent of forwarding said resolution to the Board of Supervisors.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt the following resolution as amended; (4-0) unanimously.

Resolution No. 00-0003: Direct the General Manager to draft a policy resolution to provide for reconstitution of the Citizens Advisory Committee to be considered and approved by the Commission with the intent of forwarding said resolution to the Board of Supervisors.

13. Introduction of the FY 2000/2001 Budget.

William Berry, Assistant General Manager for Finance and Administration, presented an overview of the PUC budget for Fiscal Year 2000-2001 using electronic slides.

Mr. Berry stated that the FY 2000-01 budget as proposed is \$347 million (\$16 million over the last fiscal year's budget). This year's budget instructions to operating divisions and bureaus was to keep the baseline budget the same as last year with the exception of providing salary increases required by labor agreements.

Mr. Berry noted that there were 37 new budget proposals, which was already reduced from 78 proposals originally submitted by operating divisions. The total new programs requested by operating divisions totaled \$16.2 million and only \$7.6 million was included in the budget.

Mr. Berry also provided an overview of the financial conditions of each enterprise and the impact of financial projections. He stated that the Water Enterprise and Clean Water Enterprise face major financial problems due to Proposition H and large capital improvement programs. Hetch Hetchy also faces major financial pressure and significant reduction in revenues due to changing business environment, electric deregulation and termination of the PG&E settlement agreement. The reduction in revenues will result in a decline in Hetch Hetchy's contribution to the General Fund. Staff is preparing a business plan and working on ways to improve the conduct of business and minimize impact to revenues. Included in Hetch Hetchy's budget request is \$1.5M for the creation of Hetch Hetchy Energy Services to start the process.

The projection for the Water Enterprise reflected a negative unappropriated fund balance at the end of the Proposition H period. Mr. Berry indicated that the Water Department's financial picture will look better assuming that Proposition H ends, and the Board of Supervisors approves a 15% rate increase.

The Clean Water Enterprise also showed a negative fund balance at the end of the Prop H period. Mr. Berry stated that it will take a couple of years before the unappropriated balance gets to the level that financial advisors require and that is a minimum fund balance equal to 45 days of expenditures (about \$16 or \$17 million). Mr. Berry noted that a 17.5% increase in rates at the end of Prop H period would be required to improve the enterprise's financial condition. Mr. Berry commented that the Clean Water Program maintains an R&R fund where money is reserved for renewal and replacements, as legally required. He stated that we are not accumulating any reserves on the fund since we are spending it for the sewer repair program.

Responding to Commissioner Makras' inquiry concerning staff's recommendations, Mr. Berry stated that there are a number of options available. One option that is already being done and the only tool available at this time was managing the budget. He said if the budget were reduced by \$1 million this year, assuming it will sustain that reduction throughout the forecast period, the financial picture would look better. Other options he mentioned were: obtain voters approval to repeal Prop H as recommended by financial advisors; obtain voters approval to issue additional bonds as soon as possible; or borrow from the State Revolving Fund Loan from the State Water Resources Control Board.

Mr. Moran emphasized that staff is trying to make long term responsible decisions based on these projections and part of the recommendation was to impose a rate increase at the end of the Prop H period.

Item 14 was deferred until after the Closed Session.

15. Discussion and possible action related to the Lake Merced Task Force Memorandum of Understanding.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0004: Endorse the Lake Merced Task Force Memorandum of Understanding and authorize assignment of staff and resources to support the activity of the Task Force.

Item 16 was taken out of order and moved to the end of the Regular Agenda.

Commissioner Normandy was excused at 3:45 P.M.

LEASES AND PERMITS

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Items 17 and 18 collectively; passed (3-0) unanimously.

17. Resolution No. 00-0005: Authorize a lease with Americana Apartments No. 2, as lessee, for 46,174 square feet of SFPUC land located on Bay Division Pipeline Nos. 1 and 2 right of way, Parcel 1211 in Fremont, Alameda County to be utilized for parking, recreation, and landscaping for an adjacent condominium complex for a term of ten years at an annual rental rate of \$4,404.
18. Resolution No. 00-0006: Authorize a lease with Parkview West Homeowners Association, as lessee, for 61,090 square feet of SFPUC land located on Bay Division Pipeline Nos. 3 and 4 right of way, Parcel 211 in Mountain View, Santa Clara County to be utilized for parking, patios and a pool recreation and lounge area for an adjacent condominium complex for a term of five years at an annual rental rate of \$3,570.05.

CONSTRUCTION CONTRACTS

Advertise

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-882, San Joaquin Pipeline No.2, Throttling Stations.

Moved by Commissioner Cook, seconded by President Caen, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0007: Approve final plans and specifications and authorize bid call for Hetch Hetchy Water & Power Contract No. HH-882.

Award

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2220, Access and Fire Protection Upgrades at Harry Tracy Water Treatment Plant, Sunol Valley Water Treatment Plant, and San Antonio Pump Stations.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0008: Award SFWD Contract No. WD-2220 to Seto's Construction, as the lowest responsive bidder, in the amount of \$1,099,600.

The meeting was recessed at 3:47 P.M. At 4:02 P.M., the meeting reconvened. Commissioner Makras was excused.

On Item 22, Commissioner Cook expressed concerns that the bid was \$26,000 over the engineering estimate. Chris Nelson, Project Manager, responded that the \$320,000 engineer's estimate did not include construction contingency for industry conditions or bid climate. Mr. Nelson asserted that the \$26,000 difference over the engineer's estimate is an acceptable overage considering the bid climate at the time the bids were received. Mr. Quan affirmed that in general if a contractor's bid falls within 10% of engineer's estimate it is considered a good bid and that was the case in this contract.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items 22 and 23 collectively; (3-0) unanimously.

22. Resolution No. 00-0009: Award San Francisco Water Department Contract No. WD-2300, Irvington Portal Improvements, to Mitchell Engineering as the lowest responsive bidder, in the amount of \$346,372.

23. Resolution No. 00-0010: Award Clean Water Program Contract No. CW-130, Balboa Street and 3rd/20th/42nd Avenues Sewer Replacement, to the lowest responsive and responsible bidder, D'Arcy & Harty Construction, in the amount of \$365,175.

24. Discussion and possible action related to Clean Water Program Contract No. CW-216, Oceanside Water Pollution Control Plant Parallel Electric Service Feeder.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0011: Award Clean Water Program Contract No. CW-216, Oceanside Water Pollution Control Plant Parallel Electric Service Feeder, to W.F. Anderson Electric, Inc., the sole responsive and responsible bidder, in the amount of \$107,919.

25. Discussion and possible action related to Clean Water Program Contract No. CW-227, Southeast Water Pollution Control Plant Booster Pump Station Upgrade.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0012: Award Clean Water Program Contract No. CW-227, Southeast Water Pollution Control Plant Booster Pump Station Upgrade, to Millard Tong Construction, Inc., the lowest responsive and responsible bidder, in the amount of \$4,976,753.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items 26 and 27; (3-0) unanimously.

26. Resolution No. 00-0013: Award Clean Water Program Contract No. CW-231, Leavenworth Street Sewer Replacement, to D'Arcy & Harty Construction, the lowest responsive and responsible bidder, in the amount of \$575,070.
27. Resolution No. 00-0014: Award Clean Water Program Contract No. CW-238, Peabody Street Sewer Replacement, to D'Arcy & Harty Construction, the lowest responsive and responsible bidder, in the amount of \$77,597.

Amend

28. Discussion and possible action related to San Francisco Water Department Contract No. WD-2290, Sunol Water Temple: Phase I Building Restoration.

Commissioner Normandy stated that he reviewed the materials submitted and he believed that staff had addressed the question raised at the previous meeting about the single bid received for the contract. He also pointed out that the project is on the critical path that is vulnerable to the weather if work does not proceed. Furthermore, the additional work could not be anticipated due to drawings that did not match the actual structure.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0015: Approve additional funding of \$528,999 for San Francisco Water Department Contract No. WD-2290, Sunol Water Temple: Phase I Building Restoration; approve contract modification No. 1 in the amount of \$444,999 and extension of contract time by 90 calendar days; approve reallocation of \$269,000 from Millbrae North Building Project, \$200,000 from Millbrae Office – Rollins Road and Harry Tracy Water Treatment Plant/Quality and Reliability Enhancement Program Office Remodel Project, and \$60,000 from Environmental and Regulatory Compliance.

29. Discussion and possible action related to San Francisco Water Department Contract No. WD-2277, Sunol Valley Water Treatment Plant Decant Sump Modifications.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0016: Approve Modification No. 1 to San Francisco Water Department Contract No. WD-2277, Sunol Valley Water Treatment Plant Decant Sump Modifications, increasing the contract amount by \$13,453 for a total contract amount of \$406,453 and extending the time of completion for 21 calendar days.

Close

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt Items 30, 31, and 32 collectively; (3-0) unanimously.

30. Resolution No. 00-0017: Accept the work performed under Clean Water Program Contract No. 1202N, North Point Water Pollution Control Plant Improvements – Phase 2, as complete; and authorize final payment of \$25,000 to the contractor, Nationwide Construction Co./Shimmick Construction Co. (Joint Venture).
31. Resolution No. 00-0018: Accept the work performed under Clean Water Program Contract No. CW-134, North Point Water Pollution Control Plant – Repair of Outfall Diffusers, as complete; approve Contract Modification No. 1 in the credit amount of \$72,154 for a new total of \$1,204,846 and extension of 50 days; and authorize final payment for \$200,800 to the contractor, D'Arcy and Harty Construction.

32. Resolution No. 00-0019: Accept the work performed under Clean Water Program Contract No. CW-143, Cayuga Avenue/Dolores Street/York Street Sewer Replacement, as complete; approve Contract Modification No. 3 in the credit amount of \$10,180; and authorize final payment for \$39,854 to the contractor, Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

33. Discussion and possible action related to the San Francisco Water Supervisory Control and Data Acquisition (SCADA) Project, Contract No. CS-551.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt the following resolution; (3-0) unanimously.

- Resolution No. 00-0020: Authorize the Utilities Engineering Bureau Manager to negotiate and execute an agreement with the highest ranked firm, CH2MHill/Ocampo Esta, JV, to provide construction management services for the San Francisco Water Supervisory Control and Data Acquisition (SCADA) Project, for an amount not to exceed \$1,460,000 for a term of 24 months.

Commissioner Makras returned at 4:16 P.M.

Amend

34. Discussion and possible action related to the agreement with Montgomery/Watson/Ellington/Ballofet Joint Venture to prepare the Water Supply Master Plan.

Mary Williams stated that the six months extension was requested to finalize the Water Supply Master Plan and prepare it for publication.

Commissioner Makras commented that the Water Supply Master Plan contains detailed information about our organization and our capital improvement projects. He believed that this information is vital to all bidders to the Program Management Request for Proposal (RFP) for their oral presentations to the Evaluation Panel next week. He indicated that one of the bidders had a lot more information than the other three bidders and to level the playing field he suggested sending the draft Water Supply Master Plan to the other three bidders within the next couple of days. Mr. Moran stated that the City Attorney had made some changes and those were not yet incorporated in the draft. Furthermore, the Bay Area Water Users Association who is a joint sponsor of the project has not approved the draft.

Arthur M. Jensen, General Manager of the Bay Area Water Users Association (Bay Area Water Users Association), stated that he would like the Steering Committee to have opportunity to review the plan before it is distributed. He was concerned that the nature of the study could be misinterpreted in the way the information is presented. He noted that the plan is not a master plan for how water supplies throughout the Bay Area should be developed and managed. The plan addresses how the San Francisco system could be used to provide additional water for future supplies and at what cost and what the environmental impacts are. He was also concerned that the plan is still in draft form.

Mr. Moran suggested distributing the draft on a limited basis with a cover memo requesting that the document be treated confidentially. He stated that there is nothing in the report that he will be concerned about being in public domain.

Commissioner Normandy expressed support for a limited distribution of the draft to flesh out information to all bidders of the Program Management RFP and distribute it with a cover memo indicating that it is a draft, that it has not been approved by Public Utilities Commission or by the Bay Area Water Users Association, and that even in its final form the document itself has to be defined further. He stated that he would support a direction from Commissioner Makras to staff in this respect.

Commissioner Makras directed staff to provide bidders on the Program Management RFP with a copy of the draft master plan with a cover letter indicating that it is a draft and a working document and that it be treated confidentially and not to be copied and distributed to others.

Moved by Commissioner Normandy, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0021: Authorize the Manager of System Planning, Environment and Compliance to execute Amendment No. 4 to the agreement with Montgomery/Watson/Ellington/Ballofet Joint Venture to extend the contract through June 8, 2000 at no additional cost.

Close

35. Discussion and possible action related to Contract CS-454, Specialized Corrosion Engineering Services.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0022: Extend the term of Contract CS-454, Specialized Corrosion Engineering Services to November 30, 1999; approve final payment of \$38,524.11 to M.J. Schiff & Associates, Inc. and Trans Pacific Geotechnical Consultants, Inc., a joint association; approve close out of Contract CS-454; and authorize the return of remaining encumbered funds of \$81,123.53 to Pipeline Cathodic Protection Project.

16. Presentation of the Final Conceptual Engineering Report for Phase 2 of the Sunol Valley Water Treatment Plant Improvement Project.

Patty Mallett, Project Manager, gave a presentation using electronic slides regarding the timing and cost for implementing Phase 2 of the Sunol Valley Water Treatment Plant Improvement Project Facilities Plan.

Phase 2 of the project includes construction of a 280 million gallons per day water treatment plant at the Alameda West Portal Site in the Sunol Valley, 60 million gallons treated water storage at West Portal and 40 million gallons treated water storage at the Sunol Valley Water Treatment Plant and additional emergency interconnections from the Calaveras and San Antonio reservoirs.

Ms. Mallett showed a slide of the projected schedule to complete the Facilities Plan. Phase 1.1 which is improvements to the existing Sunol Water Treatment Plant will be completed in year 2002. In year 2005, the treated water reservoir and site preparation for the West Portal treatment plant will be completed. In year 2010, the West Portal Water Treatment Plant and pump station will be completed along with emergency interconnection from San Antonio Reservoir. Interconnection from the Calaveras Reservoir is estimated to be on line by 2020. To meet long-term demand the last 40 mgd module to West Portal Plant will be added by year 2010.

Ms. Mallett reported that the Facilities Plan is estimated to cost \$784 million. Most of the money will be spent on the West Portal Water Treatment Plant and 56% will be spent on water treatment.

Ms. Mallett noted the cost of the project had increased from \$320 million estimated in the preliminary engineering study to today's estimate of \$697 million. She stated that the increase resulted from a recommendation to increase treatment capacity in the Sunol Valley Water Treatment Plant from 240 mgd's to 440 mgd's, increase the storage capacity from 40 million gallons to 100 million gallons, and the addition of emergency interconnections to improve water supply reliability.

CLOSED SESSION

36. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Item 36 was not discussed.

37. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Skyline Quarry, San Francisco Watershed Lands, San Mateo County
Parties Negotiating: CCSF – Dowd/Hickman
Permittee: San Francisco Police Department
Under Negotiation: MOU Renewal

Item 37 was not discussed.

38. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating: CCSF – Dowd/Milstein
Lessee: Mission Valley Rock/RMC Lonestar
Under Negotiation: Price and Terms

Item 38 was not discussed.

39. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

Present were President Caen; Vice President Cook; Commissioner Normandy; Commissioner Makras; Anson B. Moran, General Manager of Public Utilities; William Berry, Assistant General Manager for Administration & Finance; Vicki Clayton, Utilities General Counsel; Romaine A. Boldridge, Commission Secretary; Gary Dowd, Manager, PUC Bureau of Commercial Land Management; Cheryl Davis, Manager of Water Supply & Treatment Division; Linda Ross, Deputy City Attorney; and Alice

Villagomez, Deputy Director, Department of Human Resources Employee Relations Division.

No action was taken.

40. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

Present were President Caen; Vice President Cook; Commissioner Normandy; Commissioner Makras; Anson B. Moran, General Manager of Public Utilities; and Vicki Clayton, Utilities General Counsel.

No action was taken.

41. Public comments on matters to be discussed in Closed Session.

There was none.

42. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel; (4-0) unanimously.

The Public Utilities Commission went into Closed Session to discuss above listed Closed Session matters at 4:48 P.M.

Commissioner Normandy was excused at 6:25 P.M.

The Commission reconvened in open session at 6:26 P.M.

43. Announcement following Closed Session.

President Caen announced the actions taken during the Closed Session.

44. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussions during Closed Session; (3-0) unanimously.

REGULAR CALENDAR

14. Discussion and possible action related to the SFPUC Housing Policy. (Continued from the meeting of December 14, 1999.)

Staff	Modify the existing housing policy; establish three classes
Recommendation:	of housing usage; establish rental rates for each class of occupant; and require residents to pay for metered utilities and other services at rates established by the Public Utilities Commission.

The following individuals commented at the beginning of the Regular Agenda:

Jano Oscherwitz, SEIU Local 790 Business Representative, stated that there is a California State law that requires an employer to negotiate with the union if a union is requesting to meet and confer regarding changes in hours, wages and working condition of represented employees. Ms. Oscherwitz stated that this matter is subject to negotiations. She said that she had requested to meet and confer with Mr. Moran but they were advised that it is not subject to negotiations. She urged the Commission to postpone action on the policy and direct staff to negotiate with the Union as the proposed policy is not equitable and discriminates against members of Local 790.

James Bryant, SEIU Local 790, urged the Commission to continue to meet and confer with the Union to come up with a legitimate policy that will serve the Public Utilities Commission.

Lawanna Preston, SEIU Local 790 Staff Director, urged PUC to meet and confer with the union regarding the issue to reach an equitable settlement for both the PUC and employees.

Commissioner Makras moved to reject staff's recommendation. Commissioner Cook seconded.

President Caen made a substitute motion to adopt staff's recommendation. Commissioner Makras seconded. On the question, there were no aye votes. All Commissioners voted no. The motion did not carry.

Thereupon, the meeting was adjourned: 6:30 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

SPECIAL MEETING

JAN - 7 2000

January 11, 2000

SAN FRANCISCO
PUBLIC LIBRARY

1:30 P.M.

1155 Market Street, Room 402

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to the Main Library on Grove, Larkin, Fulton and Hyde Streets.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Continued from the meeting of January 4, 2000.) (Swanson)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2242R to Homer J. Olsen Inc. in the amount of \$4,327,465; and approve the transfer of \$1,558,342 from the closeout of various Water Enterprise projects to Tesla Portal and Thomas Shaft Disinfection Facility Project.

4. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001.

Staff Recommendation: For discussion only. Following discussion, this item is proposed for continuance to the next scheduled meeting of the Public Utilities Commission on January 20, 2000, at 1:30 P.M. in Room 402, 1155 Market Street.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 11, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

FEB 22 2000

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City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

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Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to order: 2:10 P.M. -
2. Roll Call: Present - Vice President Frank L. Cook, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras
Excused - President Ann Moller Caen

Vice President Frank L. Cook presided.

3. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Continued from the meeting of January 4, 2000.)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2242R to Homer J. Olsen Inc. in the amount of \$4,327,465; and approve the transfer of \$1,558,342 from the closeout of various Water Enterprise projects to Tesla Portal and Thomas Shaft Disinfection Facility Project.

Leonard Swanson, Project Manager, Utilities Engineering Bureau, stated that this project originated as a compliance project pursuant to an annual inspection by the California Department of Health Services. Deficiencies were found in the capacity for storage of disinfectant and the availability of power supply in an emergency. As a result, an improvement plan was developed for the Thomas Shaft facility to fully backup the Tesla Portal Station.

Anson B. Moran, General Manager of Public Utilities, stated that this item was continued by the Commission due to a protest by Schram Construction regarding their Human Rights Commission (HRC) certification pending a meeting to be held on January 6, 2000.

Virginia Harmon, Contract Compliance Officer for the Human Rights Commission, stated that Schram Construction was still not certified by the Human Rights Commission even though the meeting did take place. Schram still is not eligible for a bid discount.

Dale Manwiller, representing Schram Construction, said that when the job was bid in 1999, Schram was recommended by HRC and staff to get the contract. Since that time HRC received a third party complaint, conducted a brief investigation and suspended the firm's certification. Since September, Schram has requested a meeting to resolve the complaint. The meeting did take place on January 6, 2000 and an investigation is ongoing. Mr. Manwiller requested that the PUC hold this contract until Schram's certification has been resolved.

Vice President Cook stated that the issue of certification was under the jurisdiction of the HRC not the Public Utilities Commission.

Vicki Clayton, Utilities General Counsel, stated that the Administrative Code provides that the appeal by a contractor of the HRC Director's decision to decertify does not stay the contract awarding authority's ability to award a contract.

Vice President Cook moved approval of the item. Commissioner Makras seconded the item for discussion purposes only.

The process used, timeframe, due process rights of the contractor and authority of the Commission were discussed. In response to questions from the Commission, Ms. Clayton stated that the PUC did not have jurisdiction to grant preference or discounts since only the HRC has that authority. The PUC has the authority to hold this contract award, or to award. The Commission does not have ability to override the HRC.

On motion of Commissioner Makras, seconded by Commissioner Normandy, this item was continued to January 25, 2000. Commissioner Normandy requested staff to urge the HRC to resolve this matter prior to the next meeting. Commissioner Makras also requested staff to write to Schram Construction informing them of the Commission's request to HRC and request their cooperation.

Art Jensen, General Manager, Bay Area Water Users Association, noted that in the future if there needs to be a delay in award of a contract due to a claim, the PUC should request HRC to act expeditiously.

Mr. Moran stated that the Commission was granting this contractor an accommodation that is not a legal right. The legal right that exists has been satisfied.

Commissioner Normandy emphasized that this action should not be taken as precedent setting.

By unanimous vote, this matter was continued to January 25, 2000.

4. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001.

Mr. Moran gave an overview of the process used by staff to develop the budget proposals. He discussed the constraints of Proposition H for each enterprise. He said that staff reviewed the projected fund balances at the end of the Prop H period, the coverage during the period, the level of revenue funded capital expended and the anticipated rate increase at the end of the period in order to maintain good financial health.

Mr. Moran pointed out three large new proposals: #39 – Creation of Hetch Hetchy Energy Services for \$1,482,580; #45 – Information Technology Improvement Project \$2 million; and an item not on the matrix, Implementation of the Watershed Management Plan costing upwards of \$1.2 million dependent upon the level of

activities selected by the Commission. Mr. Moran said that #20 – Contracts and Administration does not have a recommended cost at this time but one would be submitted later.

Commissioner Normandy announced that the reason the meeting started at 2:00 P.M. rather than 1:30 P.M. was to allow those persons who wanted to attend the funeral services for Alex Pitcher, former Manager of Public Affairs and Citizens Involvement Section, PUC Customer Service Bureau.

William T. Berry, Assistant General Manager, Administration, noted that cost for #77 – Finance Bureau Reorganization would be submitted after the consultant's report is received in the next few weeks.

Hetch Hetchy

Carlos Jacobo described the organization of the budget materials and responded to questions.

Regarding the list of professional services contracts which will be transferred to the City Attorney's Office, Commissioner Makras requested that staff not itemize the contracts since the Public Utilities Commission will not have control of the contracts. The budget should show the total amount to be transferred to the City Attorney.

Commissioner Makras questioned the need to increase salaries when over the last several years the department has not used all of the funds budgeted. Mr. Jacobo responded that approximately \$400,000 is attributed to salary standardization. Commissioner Cook pointed out that salaries are funded at the highest rate even though that rate may not be paid. Mr. Moran said that staff undertook an analysis of salaries and applied a negative adjustment to account for anticipated unspent money.

Commissioner Normandy said that he found it insufficient to simply have a Mission Statement. He requested more details on what specifically will be accomplished and what will affect our activities over the next one, three and five year periods.

Commissioner Cook pointed out that overtime is in excess of \$2 million. He said that he wanted to see standardization of shifts to negate the use of overtime. He suggested better management of the vehicle fleet. He suggested centralization of vehicle purchasing and maintenance.

Commissioner Makras inquired about the increase in Power for Resale line item. Lawrence T. Klein, General Manager, Hetch Hetchy Water and Power, replied that there was an actual expenditure of \$21 million for 1998-99 we had a budget of \$28 million. This year our expectation is that we will purchase about \$28 million again. Next year the projection is \$35 million due to load growth, the increased price we see in the wholesale power market and the increased cost we see being passed on to us from the Independent System Operator and the power exchange. Commissioner Makras requested a memo explaining the increase.

Water Supply and Treatment

Cheryl Davis, Manager, Water Supply & Treatment Division, said that what the Commission does not see is the pattern of expenditures, such as in professional services where in 1996-97 the division had a budget of \$650,000 but did not spend any of it. The next year \$50,000 was budgeted due to the carry forward, however, more was spent. In 1998-99, \$638,000 was spent and this year more was spent than what shows as the total dollar amount. The budget numbers go up and down while spending is more steady.

Ms. Davis said that she had concerns about right-of-way management and how the division has dealt with encroachments and the different types of property ownership on either side. She expressed concern about the ability to bring in a pipeline in the future due to inadequate management of the right of way. She said that money was also included in the budget for corrosion control and staff training.

City Distribution Division

Commissioner Cook noted that overtime was a concern.

Commissioner Normandy requested commentary from each department head at the next meeting and the context for the major changes.

Water Pollution Control

There were no comments.

General Manager

Regarding the request for management support services, Commissioner Normandy requested more information on outreach to the region and the ratepayers.

Mr. Moran said that he did not know what the new general manager may want in this area.

Vice President Cook set a maximum of ten minutes for each manager to make their presentation at the next meeting.

Mr. Jensen had questions regarding the services to be provided by the City Attorney on professional services, whether there would be a duplication of models of the system in Water Supply and Treatment, Water Quality and the Utilities Engineering Bureau. He offered support of the Communications Program if it extends outside the City, and inquired about why the emergency radio system was in the General Manager's budget.

There were no further public comments.

Thereupon, the meeting was adjourned:

3:55 P.M.

Romaine A. Boldridge
Secretary

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

January 11, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to order: 2:10 P.M.
2. Roll Call: Present - Vice President Frank L. Cook, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras
Excused - President Ann Moller Caen

Vice President Frank L. Cook presided.

3. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Continued from the meeting of January 4, 2000.)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2242R to Homer J. Olsen Inc. in the amount of \$4,327,465; and approve the transfer of \$1,558,342 from the closeout of various Water Enterprise projects to Tesla Portal and Thomas Shaft Disinfection Facility Project.

Leonard Swanson, Project Manager, Utilities Engineering Bureau, stated that this project originated as a compliance project pursuant to an annual inspection by the California Department of Health Services. Deficiencies were found in the capacity for storage of disinfectant and the availability of power supply in an emergency. As a result, an improvement plan was developed for the Thomas Shaft facility to fully backup the Tesla Portal Station.

Anson B. Moran, General Manager of Public Utilities, stated that this item was continued by the Commission due to a protest by Schram Construction regarding their Human Rights Commission (HRC) certification pending a meeting to be held on January 6, 2000.

Virginia Harmon, Contract Compliance Officer for the Human Rights Commission, stated that Schram Construction was still not certified by the Human Rights Commission even though the meeting did take place. Schram still is not eligible for a bid discount.

Dale Manwiller, representing Schram Construction, said that when the job was bid in 1999, Schram was recommended by HRC and staff to get the contract. Since that time HRC received a third party complaint, conducted a brief investigation and suspended the firm's certification. Since September, Schram has requested a meeting to resolve the complaint. The meeting did take place on January 6, 2000 and an investigation is ongoing. Mr. Manwiller requested that the PUC hold this contract until Schram's certification has been resolved.

Vice President Cook stated that the issue of certification was under the jurisdiction of the HRC not the Public Utilities Commission.

Vicki Clayton, Utilities General Counsel, stated that the Administrative Code provides that the appeal by a contractor of the HRC Director's decision to decertify does not stay the contract awarding authority's ability to award a contract.

Vice President Cook moved approval of the item. Commissioner Makras seconded the item for discussion purposes only.

The process used, timeframe, due process rights of the contractor and authority of the Commission were discussed. In response to questions from the Commission, Ms. Clayton stated that the PUC did not have jurisdiction to grant preference or discounts since only the HRC has that authority. The PUC has the authority to hold this contract award, or to award. The Commission does not have ability to override the HRC.

On motion of Commissioner Makras, seconded by Commissioner Normandy, this item was continued to January 25, 2000. Commissioner Normandy requested staff to urge the HRC to resolve this matter prior to the next meeting. Commissioner Makras also requested staff to write to Schram Construction informing them of the Commission's request to HRC and request their cooperation.

Art Jensen, General Manager, Bay Area Water Users Association, noted that in the future if there needs to be a delay in award of a contract due to a claim, the PUC should request HRC to act expeditiously.

Mr. Moran stated that the Commission was granting this contractor an accommodation that is not a legal right. The legal right that exists has been satisfied.

Commissioner Normandy emphasized that this action should not be taken as precedent setting.

By unanimous vote, this matter was continued to January 25, 2000.

4. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001.

Mr. Moran gave an overview of the process used by staff to develop the budget proposals. He discussed the constraints of Proposition H for each enterprise. He said that staff reviewed the projected fund balances at the end of the Prop H period, the coverage during the period, the level of revenue funded capital expended and the anticipated rate increase at the end of the period in order to maintain good financial health.

Mr. Moran pointed out three large new proposals: #39 – Creation of Hetch Hetchy Energy Services for \$1,482,580; #45 – Information Technology Improvement Project \$2 million; and an item not on the matrix, Implementation of the Watershed Management Plan costing upwards of \$1.2 million dependent upon the level of

activities selected by the Commission. Mr. Moran said that #20 – Contracts and Administration does not have a recommended cost at this time but one would be submitted later.

Commissioner Normandy announced that the reason the meeting started at 2:00 P.M. rather than 1:30 P.M. was to allow those persons who wanted to attend the funeral services for Alex Pitcher, former Manager of Public Affairs and Citizens Involvement Section, PUC Customer Service Bureau.

William T. Berry, Assistant General Manager, Administration, noted that cost for #77 – Finance Bureau Reorganization would be submitted after the consultant's report is received in the next few weeks.

Hetch Hetchy

Carlos Jacobo described the organization of the budget materials and responded to questions.

Regarding the list of professional services contracts which will be transferred to the City Attorney's Office, Commissioner Makras requested that staff not itemize the contracts since the Public Utilities Commission will not have control of the contracts. The budget should show the total amount to be transferred to the City Attorney.

Commissioner Makras questioned the need to increase salaries when over the last several years the department has not used all of the funds budgeted. Mr. Jacobo responded that approximately \$400,000 is attributed to salary standardization. Commissioner Cook pointed out that salaries are funded at the highest rate even though that rate may not be paid. Mr. Moran said that staff undertook an analysis of salaries and applied a negative adjustment to account for anticipated unspent money.

Commissioner Normandy said that he found it insufficient to simply have a Mission Statement. He requested more details on what specifically will be accomplished and what will affect our activities over the next one, three and five year periods.

Commissioner Cook pointed out that overtime is in excess of \$2 million. He said that he wanted to see standardization of shifts to negate the use of overtime. He suggested better management of the vehicle fleet. He suggested centralization of vehicle purchasing and maintenance.

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City Distribution Division

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Commissioner Normandy requested commentary from each department head at the next meeting and the context for the major changes.

Water Pollution Control

There were no comments.

General Manager

Regarding the request for management support services, Commissioner Normandy requested more information on outreach to the region and the ratepayers.

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Vice President Cook set a maximum of ten minutes for each manager to make their presentation at the next meeting.

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There were no further public comments.

Thereupon, the meeting was adjourned:

3:55 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

January 20, 2000

1:30 P.M.

1155 Market Street, Room 402

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
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BUREAUS

Commercial Land Management
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Personnel and Training
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Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

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Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

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The Public Utilities Commission meeting will be held in Room 402, 1155 Market Street, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to the Main Library on Grove, Larkin, Fulton and Hyde Streets.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action regarding the actions taken by the General Manager concerning the Program Management Selection Committee. (Moran)

Staff Recommendation: Ratify actions taken by the General Manager.

4. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 4, 2000).

Staff Recommendation: For discussion only. Following discussion, this item is proposed for continuance to the next scheduled meeting of the Public Utilities Commission on January 25, 2000, at 1:30 P.M. in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place.

CLOSED SESSION

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

6. Public comments on matters to be discussed in Closed Session.
7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.
9. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

January 20, 2000
1:30 P.M.
1155 Market Street, Room 402

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COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

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DEPARTMENTS

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Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to order: 1:35 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Frank L. Cook, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action regarding the actions taken by the General Manager concerning the Program Management Selection Committee.

Commissioner Normandy commented that the Commission does not have enough information at this time to either ratify or not ratify the actions taken by the General Manager. He moved that the matter be referred to the City Attorney's Office and the City Attorney submit to the Commission a written evaluation regarding the validity of the action taken by the General Manager, and continue the item to the call of the chair until the City Attorney's opinion is received.

Commissioner Cook seconded.

Commissioner Normandy stated that he wanted to get the City Attorney's opinion concerning the ramifications of negating the alternate member and whether leaving three publicly confirmed members on the panel reserves the purity of the selection process.

Commissioner Makras indicated that he would support the resolution but he wanted to express his concerns regarding the selection of the evaluation panel. He noted that the Commission worked diligently with staff in the preparation of the Request for Proposal (RFP) and have affirmed in the RFP that the Commission wants ultimate decision over the selection panel. The Commission reaffirmed their commitment for control over the selection panel when they authorized the General Manager to pick a sixth member to be later ratified by the President of the Commission. He said he was also concerned that the selection panel was not created equally in that one person was substituted for three panel members and the substitute member was not there for the orientation.

Public Comments:

Dwayne Lee, Vice President for Water Resources, Parsons Infrastructure & Technology Group, commented that they could not understand the evaluation process used by the panel and how they arrived at their conclusions. He suggested disclosing in more detail the evaluation process used.

Jeff Kishel of Montgomery Watson expressed concerns that the last-minute change in the composition of the panel created a substantial impact on the selection panel's decision. He stated that the three individuals who left have

greater understanding and appreciation of the concerns and issues of the Commission.

Commissioner Makras commented that the General Manager should have advised the Commission as soon as he found out that some members of the panel dropped out of the process. President Caen stated that she was out of the country at that time and was not informed of the situation until the decision had already been made.

Commissioner Normandy noted that at the time the situation came about, there was insufficient time to call for a special meeting of the Commission or include the matter in the January 11th meeting agenda due to the new Sunshine Ordinance requirement of 72 hours notification. He pointed out that the interest of the Commission was protected by the General Manager's action, as it allowed the Commission the options to decide whether to ratify, modify, or overturn the action. He said he welcome the action taken by the General Manager because the alternative to abort the interview process would not have been satisfactory.

Mr. Moran stated that his intention was to move the process expeditiously and present the Commission with options to either ratify his action or take another course of action. He said he tried to comprise a panel that reflected the expressed interest of the Commission. He also conferred with Vice President Cook and Commissioner Normandy, who are both members of the Task Force, as he put together his course of action.

Commissioner Cook stated that the opinion requested of the City Attorney would clarify the various concerns raised. He urged the Commission's support of the General Manager's efforts.

The Commission voted to continue Item 3 to the call of the Chair; passed (4-0) unanimously.

4. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 4, 2000).

Each manager of the operating divisions and bureaus gave presentations to the Commission and provided an overview of their organization's mission statement, scope, Fiscal Year 2000-2001 objectives, financial constraints, state of their organizations, and performance standards.

Commissioner Normandy commended staff for their efforts in providing the information he requested and for the excellent order of presentation to the Commission.

Hetch Hetchy Water & Power

Lawrence T. Klein, General Manager of Hetch Hetchy Water & Power, stated that Hetch Hetchy's objectives for this fiscal year were to issue a Request for Proposal for private companies to develop options to mitigate drought and price risks, speed up the shutdown of Hunters Point Power Station, and expand the process of restoring Hetch Hetchy to financial health.

Mr. Klein mentioned that Hetch Hetchy was struggling to invest in core business infrastructures and capital improvement projects and restore Hetch Hetchy's financial health while the general fund transfer must be greatly reduced. He stated that the Mayor's budget staff already expressed desires to maximize Hetchy's contribution to the General Fund this year.

With regard to Hetch Hetchy's objectives, Mr. Klein noted that staff is working to complete the repairs to the San Joaquin Pipeline No. 3, and develop a new 10-year capital program, and continue working towards achieving the objectives of the department for Year 2000-2001.

Commissioner Normandy commented that the Commission have long been buffeted by the public and the press that PUC could contribute to the General Fund but could not fund the operating needs of the department. He stated that it is the Commission and staff's prime responsibility to run the department in the best way we can. He suggested that staff put this issue on the table, find out what the PUC could afford to do, and what is needed to be done.

Commissioner Makras inquired about the status of Hetch Hetchy's business plan. Mr. Klein responded that a draft business plan had been prepared and provided to the members of the Task Force for review. Commissioner Normandy noted that the Task Force would present a series of options that are based on different assumptions.

Commissioner Makras indicated that the Business Plan should be a defined objective under Hetch Hetchy's list of objectives with a defined date of completion.

Mr. Klein reported that in FY 2000-2001 budget, the department was proposing to create a Hetch Hetchy Energy Services Section that will primarily serve energy services needs of City departments and retail customers. This section would be staffed through redeployment of existing staff within the Bureau of Energy Conservation. New resources that would be required will be funded through the professional services budget.

Note: Romaine Boldridge, Commission Secretary, was excused at 2:30 P.M. Lorna Navarro recorded the proceedings.

Water Supply & Treatment Division

Cheryl Davis, Manager of Water Supply & Treatment Division, reported that the Water & Treatment Division submitted a baseline budget that would continue normal level of spending and use of existing resources. The budget before the Commission included funding for the following projects: right-of-way management planning and development of a geographic information system; pipeline corrosion control program; expanded pipeline inspection; implementation of the Policies Procedures and Training Program, and consulting services for biotic assessments, field monitoring and analysis of natural resources.

Ms. Davis stated that proactive measures to protect the water sources contained in the Watershed Management Plan were not included in the FY 00-01 budget. She suggested adding additional staff and utilizing professional consultants to help manage and protect PUC's environmental resources. She indicated that they also need funding to improve PUC relationships with neighbors and stakeholders.

Ms. Davis concluded that with the budget proposed by the Bureau, they would not be able to operate at a level expected by its customers.

City Distribution Division

Tony Flores, Manager of the City Distribution Division, presented the budget requests of the Division. The budget submitted by the Division for FY 00-01 include new budget requests in the construction and maintenance section such as replacement of outdated equipment and vehicles (\$500,000), safety and compliance (\$155,000), compliance with excavation code requirements (\$97,000), and completion of electronic gate book automation (\$130,000). \$1.4 million was requested for refurbishing the shops at 1990 Newcomb and getting it to comply with chemical handling requirements. Also included in the budget is \$1.5 million for meter testing. Other budget requests included implementation of a computerized records management system at Engineering and Administration sections. Mr. Flores noted that the total budget requested for CDD is \$103 million.

Mr. Flores reported that in FY 1997-98 overtime used by the bureau was 57,600 hours. After instituting procedures and audits, overtime hours expenditures were reduced by 3,000 hours. This year's projected overtime expenditure is \$934,000 or 47,625 hours.

Commissioner Normandy was excused at 3:02 P.M.

Water Pollution Control Division

William Keaney, Manager, Water Pollution Control Division, expressed concerns that the division's budget will result to a negative fund balance by Year 2006. Mr. Keaney stated that over the last two years, the Division had reduced its

expenditures in the water treatment operation area and reallocated the money to fund improvements in sewer maintenance and odor control. He said this year they had taken a more alarming approach and cut the budget for sewer and maintenance program to stay within the baseline budget.

Mr. Keaney reported that the Water Pollution Control Division requested funding for two new programs for FY 2000-2001: one, to initiate a program that addresses toxic sediments in sewers (\$500,000); and the second, to increase support services (\$2.6 million).

Regarding overtime issues, Mr. Keaney explained that more than half of overtime expenditures in the bureau resulted from the 12-hour work shift. The 12-hour shift is a part of an agreement established with labor unions. He stated that the 12-hour shift benefits the Division in balancing their staffing more effectively.

Mr. Keaney brought up an issue that the Water Pollution Control was being charged higher cost for power usage. He said that the department could save money by reducing the cost of power and by implementing energy conservation measures.

Mr. Keaney commented that there are a lot of improvements to be made in the operation and maintenance of sewer operations but there is no money to fund them. Those improvements include inspection and replacement of sewers, plant maintenance, odor control, digester replacement and overhaul of the Northpoint Wastewater Treatment Plant.

Commissioner Normandy returned at 3:05 P.M.

Bureau of Finance

William Berry, Assistant General Manager for Finance & Administration, stated that there is no significant change in the bureau's budget except for a new budget proposal that resulted from an audit of the bureau conducted by KPMG (formerly Peat Marwick). Mr. Berry stated that KPMG recommended a reorganization of the Finance Bureau, assignment of Accounting staff on site directly working with other divisions, and a revamp of the existing PUC Chart of Accounts. He said that the first two recommendations could be implemented within the base budget. The third recommendation, revamp of the existing Chart of Accounts, would cost a lot of money and staff will review the scope of work involved before presenting a recommendation to the Commission.

At 3:20 P.M. the meeting was recessed.

At 3:35 P.M., the meeting reconvened.

Commissioner Makras was excused at 3:35 P.M.

Bureau of Management Information Systems (BMIS)

Johannes Loffeld, Manager, Bureau of Management Information Systems, reported that BMIS submitted new programs in the FY 00-01 budget that would add \$2 million in annual expenditures to the operating budget. The bureau requested eight additional MIS positions and expert professional services (\$514,000) to support the growing MIS operation and new information systems requested by various PUC organizations. New information systems requests include Complaint Tracking System, Permit Tracking System; development of internet capability for hydrological information, geographic information systems, and capital expenditures management system.

Utilities Engineering Bureau

Michael Quan, Manager, Utilities Engineering Bureau, reported that the bureau would continue to hire additional staff to support the implementation of the expanding Capital Improvement Program. He stated that the bureau's workload had quadrupled over the past years. FY 98-99 capital improvement projects totaled \$40 million compared to FY 99-00 of \$185 million. Next fiscal year's capital projects totaled \$192 million. The bureau, with the assistance of the Bureau of Personnel, is making progress in continuing to fill key vacant positions that would provide engineering and design services to bureaus and improve the contracting process.

Mr. Quan noted that UEB's budget proposals for next fiscal year deal with the centralization of the contracting function; digitizing old plans; and providing staff assigned in field operations with computers, furniture, and vehicles to carry out their duties.

Commissioner Makras returned at 3:50 P.M.

Bureau of Personnel & Training

Ta'nya Smith, Personnel Officer from the Bureau of Personnel & Training, reported that BPT had made progress in filling vacant positions over the last year and would continue to fill vacancies and educate managers in effectively managing their workforce.

For FY 2000-2001 budget, the bureau requested \$170,000 to fund three new positions that are required to accomplish the bureau's objectives: one, a personnel analyst who will provide support in recruiting and retention efforts; second, a procedural writer who will prepare and update manuals and documents for Internet accessibility; and third, a personnel clerk.

Bureau of Commercial Land Management

Gary Dowd, Manager, Bureau of Commercial Land Management, reported that Commercial Land Management is in an excellent financial condition. Mr. Dowd noted that rent revenues have been increasing by \$1 million dollar a year for four consecutive years. Four years ago, the rent revenue was \$3.2 million and it has now reached \$7.2 million. He pointed out that staff is expecting new revenues of half a million dollars next year from rent revenues in fiber optic crossing and cellular communication lines. He stated that the bureau requested a fiber optic specialist in this budget year to assist in this new endeavor.

Customer Service Bureau

John P. Mullane, Jr., Manager, Customer Service Bureau, noted that this year's budget request will allow Customer Service Bureau to increase pay stations for collection of water and sewer bills, evaluate additional payment options, initiate a feasibility study for single point customer service or a Call Center, implement an automated meter reading system, and implement the use of lap top work order system by water inspectors. Mr. Mullane stated that in order to accomplish the goals they need to hire a supervisory position for the proposed Call Center, a new position to respond to appeals concerning flow factor and high bills; and a total of \$15,000 in contractual services to assist the Bureau in seeking an exemption with one of the Best Management Practices.

Bureau of System Planning & Environment Compliance

Steve Medbery, Manager, System Planning & Environment Compliance, stated that the bureau proposed funding for four positions to assist in the Bureau's planning efforts for the next fiscal year. The positions requested were: (1) Planner IV who will support National Environmental Protection Agency (NEPA) and California Environmental Quality Agency (CEQA) efforts; (2) program manager for the Water Supply Master Plan, System Reliability Plan, and water rights protection efforts; (3) Regulatory Specialist responsible for grant and loan applications; and (4) Senior Biologist who will address proactive issues in endangered species protection.

Mr. Medbery commented that although SPEAC had taken a decent start in their planning initiatives, they still need significant improvements in systems and capital planning efforts. He added that the bureau achieved major success in public outreach and in the integration of a pest management program.

Water Quality Bureau

Manoucher Boozarpour of Water Quality Bureau reported that the budget they proposed for FY 2000-01 included a new proposal to obtain laboratory instrumentation for required regulatory monitoring and equipment that will optimize

their operation. Also requested in the budget was the purchase of software to enhance the record management system.

Mr. Boozarpour stated that the bureau had been successful in hiring technical staff in areas of regulatory compliance and process engineering. They have maintained good working relationships with other operating divisions and established offices at the various wastewater treatment plants, water treatment plants, City Distribution Division, and Moccasin offices.

Mr. Boozarpour indicated that the system faces increasing number of regulations in the next several years that would affect our resources. Staff was concerned about how the operating divisions could comply with the requirements of the new regulations and finding sources of funds to fund them.

There were no other presentations by staff. President Caen invited comments from the public.

Commissioner Makras was excused at 4:21 P.M. He returned at 4:30 P.M.

Public Comments:

Jane Nurre commented regarding the different power rates charged to City departments. The Clean Water Enterprise was paying the top rate because it is an enterprise. Ms. Nurre suggested charging the Clean Water Enterprise at a more favorable rate or exploring the possibility of purchasing power from an outside energy provider.

Mr. Moran responded that the power rates resulted from the energy crisis when OPEC raised rates in 1970. The City decided to raise power rates to all City departments to market rates to encourage energy conservation. It took effect for enterprise departments and not general fund departments. Mr. Moran stated that PUC was sued by Airport tenants to lower the rates. A settlement agreement was reached that the Airport will pay a discounted rate that would escalate each year to a small percentage until it comes up to market rate, as long as the enterprise departments continue to pay at market rates. Therefore, if the rates were lowered for enterprise departments, our revenues received from the Airport tenants would be reduced.

Regarding the budget process this year, Mr. Moran commented that this year's presentation was incredibly different from three years ago. Three years ago, operating divisions and bureaus reported major underperformance because of difficulty in hiring qualified people. This year, Mr. Moran observed that the organization would not be able to undertake its goals and objectives due to PUC's shaky finances until the end of Prop H period.

At 4:45 pm, Romaine Boldridge returned.

Regarding power rates, Mr. Nate Ratner commented that the power rates could not be changed because of a contract that was established for 40 or 50 years. On another matter, Mr. Ratner requested that the PUC stop the use of Bode-Mix for backfill until Engineering staff had reviewed the costs involved in the removal of Bode Mix.

Item 4 was continued to the next scheduled meeting of the Public Utilities Commission on January 25, 2000, at 1:30 P.M. in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place.

CLOSED SESSION

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

No action was taken.

6. Public comments on matters to be discussed in Closed Session.

There was none.

7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Romaine Boldridge, Commission Secretary, noted that a motion to assert the attorney-client privilege was not applicable for Item 5 of the Closed Session agenda, as it was not noticed as a Conference with Legal Counsel.

The Public Utilities Commission went into Closed Session at 4:45 P.M. to discuss the matters listed under Closed Session.

At 5:15 P.M., the Commission reconvened in open session.

8. Announcement following Closed Session.

President Caen announced that no action was taken during the Closed Session.

Commissioner Makras was excused at 5:16 P.M.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Normandy, seconded by Commissioner Cook, not to disclose the discussion during Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned:

5:17 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 25, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

Ann Moller Caen, President
Frank L. Cook, Vice President
E. Dennis Normandy
Victor G. Makras

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Election of Officers
4. Approval of Minutes
5. Communications
6. Introduction of Old/Ongoing Business by Commissioners
7. Introduction of New Business by Commissioners
8. Report of the General Manager
 - a. Report on the state of PUC utilities including finances, infrastructures and other issues. 30 mins. (Moran)
 - b. Report on the System Reliability Study Phase 2. (Moran)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

REGULAR BUSINESS

10. Resolution commending Anson B. Moran on the occasion of his retirement.

Staff Recommendation: Adopt a resolution commending Anson B. Moran for 26 years of service to the City and County of San Francisco.

11. Presentation of the proposed Moccasin Communication and Control Center. For discussion only. 7 mins. (Ch'en)
12. Discussion and possible action related to the development of a Westside Basin Groundwater Management Plan. (Carlin)

Staff Recommendation: Authorize the General Manager to enter into an agreement with the City of Daly City to implement a groundwater database clearinghouse and source water protection strategies.

LEASES AND PERMITS

13. Discussion and possible action related to a permit with Fair Oaks Beautification Association (FOBA). (Dowd)

Staff Recommendation: Authorize a permit to Fair Oaks Beautification Association (FOBA) for the use of approximately 0.34 acres of PUC land located on a portion of Parcels 2014 and 2015 of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, San Mateo County for the construction, maintenance and use of a neighborhood playground and park.

14. Discussion and possible action related to a lease agreement with McLellan Properties, L.L.C. (Dowd).

Staff Recommendation: Authorize a lease with McLellan Properties, L.L.C., for approximately 0.275 acres of PUC land located on a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California, for parking and landscaping purposes at an annual rental rate of \$12,960.

CONSTRUCTION CONTRACTS

Advertise

15. Discussion and possible action related to San Francisco Water Department Contract No. WD-2166, CDD Safety & Environmental Hazard Abatement. (Quan)

Staff Recommendation: Reject all bids received for San Francisco Water Department Contract No. WD-2166, and readvertise the contract as San Francisco Water Department Contract No. WD-2166R.

16. Discussion and possible action related to San Francisco Water Department Contract No. WD-2285. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize advertisement for proposals for San Francisco Water Department Contract No. WD-2285, 8-Inch Ductile Iron Main Installation in Geary Expressway between Masonic Avenue and Lyon Street, Baker Street and Divisadero Street, Scott Street and Steiner Street; and Post Street between Gough Street and Larkin Street.

17. Discussion and possible action related to San Francisco Water Department Contract No. WD-2295, SFWD/SCVWD Intertie Pipeline and Pump Station. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for San Francisco Water Department Contract No. WD-2295; approve two agreements between the SFPUC and the Santa Clara Valley Water District for the development of the intertie facility and its long term operation and maintenance; and approve an "Encroachment Permit" from the City of Milpitas for the construction of a connecting 42" pipeline.

18. Discussion and possible action related to the San Francisco Water Department Contract WD-2313, Existing Fence Replacement/Upgrade in Alameda and San Mateo Counties. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for San Francisco Water Department Contract WD-2313, Existing Fence Replacement/Upgrade in Alameda and San Mateo Counties.

19. Discussion and possible action related to the San Francisco Water Department Contract No. WD-2324, Sunset Reservoir South Basin Cleaning and Repair. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for San Francisco Water Department Contract WD-2324, Sunset Reservoir South Basin Cleaning and Repair.

20. Discussion and possible action related to Clean Water Program Contract No. CW-165, Clipper/Noe/Fair Oaks/Kingston Streets Sewer Replacement. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for Clean Water Program Contract No. CW-165, Clipper/Noe/Fair Oaks/Kingston Streets Sewer Replacement.

21. Discussion and possible action related to Clean Water Program Contract No. CW-257, Outfall Repairs at Various Locations. (Quan)

Staff Recommendation: Approve final plans and specifications and authorize bid call for Clean Water Program Contract No. CW-257, Outfall Repairs at Various Locations.

Award

22. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Continued from the meeting of January 11, 2000.) (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement in the amount of \$4,327,465 to Homer J. Olsen Inc.; and approve transfer of \$1,991,088 from closeout of various Water Enterprise projects.

23. Discussion and possible action related to San Francisco Water Department Contract No. WD-2202. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2202, 12-Inch Ductile Iron Main Installation in 24th Street between Valencia Street and Harrison Street in the amount of \$694,963 to the lowest responsive and responsible bidder, J. Flores Construction Company, Inc.

24. Discussion and possible action related to San Francisco Water Department Contract No. WD-2240. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2240, 8-Inch Ductile Iron Main Installation in Golden Gate Avenue from Van Ness Avenue to Divisadero Street, in the amount of \$1,115,250 the lowest responsive and responsible bidder, JMB Construction, Inc.

25. Discussion and possible action related to San Francisco Water Department Contract No. WD-2283, Clarendon Pump Station and Pipelines to Stanford Heights and Summit Reservoirs. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2283, Clarendon Pump Station and Pipelines to Stanford Heights and Summit Reservoirs, in the amount of \$7,929,799 to the lowest responsive and responsible bidder, Mitchell Engineering.

26. Discussion and possible action related to Clean Water Program Contract No. CW-123R, Harding Park Sewer Replacement. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-123R, Harding Park Sewer Replacement, in the amount of \$438,800 to the lowest responsive and responsible bidder, Troy's Contracting/Trinet Construction, Inc., JV.

27. Discussion and possible action related to Clean Water Program Contract No. CW-164, Alemany/Mount Vernon/Joost Sewer Replacement. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-164, Alemany/Mount Vernon/Joost Sewer Replacement in the amount of \$292,599.66 to the lowest responsive and responsible bidder, Mitchell Engineering.

PROFESSIONAL SERVICE CONTRACTS

Award

28. Discussion and possible action related to Contract No. CS-548, Water Quality Engineering/Environmental Services & Regulatory Compliance. (DeGraca)

Staff Recommendation: Authorize the Water Quality Bureau Manager to negotiate and execute standard professional services agreements with Camp, Dresser & McKee to provide specialized engineering services (Group A), and Merritt Smith Consulting Services to provide environmental services (Group B), for a total spending authority not to exceed \$1,100,00 for each individual contract, for a period not to exceed two years.

CLOSED SESSION

29. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

30. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Skyline Quarry, San Francisco Watershed Lands in San Mateo County
Parties Negotiating: CCSF – Dowd/Hickman
Permittee: San Francisco Police Department
Under Negotiation: MOU Renewal

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating: CCSF – Dowd/Milstein
Lessee: Mission Valley Rock/RMC Lonestar
Under Negotiation: Price and Terms

32. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property:	APN 096-0140-015 Hetch Hetchy Maintenance Yard, Sunol, CA
Parties Negotiating:	Dowd/Naras
Permittee:	Alameda County
Under Negotiation:	Potential use of the property for a LPG Fueling Station

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):
(Clayton)

Anticipated Litigation: As Defendant

34. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):
(Clayton)

Anticipated Litigation: PRC Patterson Superfund Site, US EPA Unilateral
Administrative Order for Performance of Removal Action No.
98-12A.

35. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):
(Clayton)

Anticipated Litigation: Gerri M. Demsey, File No. 98W0157-01, Claim No. 99-04040.

36. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and
San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

37. Public comments on matters to be discussed in Closed Session.

38. Motion on whether to assert the attorney-client privilege regarding the matters listed above
as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS
ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

39. Announcement following Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

ADDENDUM TO PUC AGENDA

City and County of San Francisco
Public Utilities Commission

100
ndum
January 25, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

REGULAR

- 9.a. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 20, 2000).

Staff Recommendation: For discussion only.

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MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

January 25, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

APR 11 2000

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to order: 1:37 P.M.
2. Roll Call: Present - President Ann Moller Caen, Vice President Frank L. Cook, Commissioner E. Dennis Normandy, Commissioner Victor G. Makras

3. Election of Officers

Commissioner Cook nominated Commissioner E. Dennis Normandy for President and Commissioner Victor G. Makras for Vice President. There were no further nominations. The Commission unanimously elected Commissioner Dennis Normandy for President and Victor Makras for Vice President.

President Normandy presented outgoing President Ann Moller Caen with a plaque in appreciation for her leadership during her term as President of the PUC from July 1998 to January 2000. Vice President Makras also presented a plaque to outgoing Vice President Frank Cook.

President Normandy remarked on the many challenges the PUC is facing and his objectives for the coming year as President. Attached to the minutes is a copy of his acceptance remarks.

4. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to approve the Minutes of the Special Meeting of January 4, 2000; passed (4-0) unanimously.

5. Communications

No action was taken.

6. Introduction of Old/Ongoing Business by Commissioners

No action was taken.

7. Introduction of New Business by Commissioners

Commissioner Normandy requested a report from staff on the pros and cons of using Bode Mix as backfill material on City projects.

8. Report of the General Manager

- a. Report on the state of PUC utilities including finances, infrastructures and other issues.

Anson B. Moran, General Manager of Public Utilities, gave a presentation using electronic slides. Mr. Moran's report covered the state of the three

enterprises under the Public Utilities Commission (Water, Clean Water and Hetch Hetchy Water & Power), their financial status and planning issues. Mr. Moran also gave an account of key events that occurred in the last decade.

Water Enterprise

Mr. Moran reported that a Water Supply Master Plan was being developed to direct San Francisco's water needs within the next 30 years. The study concluded that a 100% reliable water supply is economically feasible and must be pursued. The suburban customers could meet half of their future demands from local resources but still need 71 million gallons per day (mgd) of additional supply.

On the water treatment side, Mr. Moran stated that staff would continue with the department's policy to maintain PUC's filtration exemption. There is also a need to change disinfection methods to comply with public health rules and improve water treatment plants.

Mr. Moran reported that the SFPUC Facilities Reliability Study was published on Friday. The report addressed the vulnerability of our facilities in the event of a major earthquake. He stated that urgent measures are needed to be taken to strengthen the system.

Mr. Moran mentioned that the Bay Area Water Users Association that represents 2/3 of PUC customers outside San Francisco expressed a desire to establish deficiency allocation in the existing contract with the City.

Mr. Moran noted that some of the many challenges PUC is faced with are protecting water rights, improving the water level at Lake Merced, providing access to the watershed and adopting mitigation measures, and finding ways of financing a big capital improvement program. The department is currently involved in responding to the State Auditor's report of the PUC.

Mr. Moran concluded that the Water Enterprise may be able to make it through the end of Prop H period financially and would remain good if water rates were to increase 18% after the end of the Prop H period and everything stays within the projections.

Clean Water Program

Mr. Moran talked about the aging sewer treatment plants and sewer collection systems and the much-needed repair or replacement of the system. He stated that to reduce the level of sewer failures we needed to invest \$30 million a year.

Mr. Moran noted that the ability of the Clean Water Enterprise to make it through the end of Prop H is more fragile than it is with the Water Enterprise.

The enterprise would be okay if rates were raised at the end of Prop H and projections stay the same.

Hetch Hetchy Water & Power

Mr. Moran stated that electric deregulation is a major challenge faced by Hetch Hetchy Water and Power. There are policy and organizational issues to consider and basic decisions the Commission has to make to face the challenge. He said that staff had been successful over the years and over the initial period of deregulation in finding a niche market where we were making money with existing facilities and resources. However, actions have to be taken to explore other revenue sources or our net revenues would plummet.

Commissioner Caen requested staff to provide a status of all system improvement projects, the progress to date, and the next steps to be taken. Mr. Moran responded that a summary of work completed over the past ten years and Prop A projects would be provided to the Commission. In addition, an overview of the long-range improvement program would be presented at the next budget meeting.

b. Report on the System Reliability Study Phase 2.

President Normandy expressed appreciation to staff for the completion of the study. He noted that the report was a distillation of PUC's history and what lies ahead and it provides us with context and starting point for a new management team to work with and a benchmark for which to gauge our future achievement.

Karen Johnson of Montgomery Watson, a member of the technical consultant team, gave a presentation regarding the findings of the Facilities Reliability Study.

Ms. Johnson stated that the Phase 2 study provides an estimate of the level of the reliability of the system and identifies the problem areas that need immediate attention. She reported that the study found that a major seismic event in San Andreas and Hayward faults might result in significant damage to the water distribution and treatment systems throughout the service area. Under a worst-case scenario, hundreds of pipe will break within the City, water and storage reservoirs in the City Distribution system may drain due to pipe leaks and firefighting demands. Stored water within San Francisco is anticipated to be drained within two days. No new water is likely to come into the City's drinking water system for at least 30 days because the pipes feeding the City from the Peninsula are likely to be broken. Ms. Johnson showed areas in graphics that will be damaged for 30 days or greater for most service area facilities.

In response to these hypothetical scenarios, Ms. Johnson stated that the study recommended numerous capital improvements such as a new and expanded Bay Division Pipeline, capacity improvements at the Harry Tracy Water Treatment Plant, and a new connection to incorporate the Lake Merced supply. Ms. Johnson pointed out that the most important finding of the study was that the urgency to construct these improvements is much greater than previously thought. The USGS released data last fall that indicated a 70% probability of a significant earthquake occurring in the Bay Area within the next 30 years. She noted that the study recommended that the PUC should start working on high priority capital improvements and not wait for the implementation of Phase 3.

Mary Williams, PUC's Project Manager, reported that since 1994 the department had been working on improving the seismic reliability of the system. Those improvements include: anchored equipment to prevent damage and movement in an earthquake; strengthened pipeline crossings with flexible pipes; upgraded reservoir roofs and tanks; establishing an emergency intertie agreement with the Santa Clara Valley Water District; beginning construction of SCADA systems; and developing an emergency response plan.

Ms. Williams noted that the recommendations of the Phase 2 study include large-scale system reliability improvements in the price range of \$250 million to \$300 million. All of these projects are planned in the Capital Improvement Program. The three major recommendations in the study were improvements in the Bay Division Pipeline and the Irvington Tunnel, re-operate the Harry Tracy Water Treatment Plant to provide water supplies to the local peninsula reservoir and the suburbs; and provide a strong backbone pipeline system. Phase 3 involves the implementation of system reliability improvements in the PUC's Capital Improvement Program.

Mr. Arthur Jensen, General Manager of the Bay Area Water Users Association (BAWUA), commended the Commission for the conduct and public release of the Facilities Reliability Report. Mr. Jensen stated that the study affects all customers as it characterizes the reliability of the water distribution system. He stated that the study has significant economic impact to suburban customers as they will have to pay their share of the cost of improvements. He noted that BAWUA is working on their own funding study and an analysis of how the proposed system improvements affect suburban rates and how rate increases could be scheduled. He urged the Commission to adopt a financial plan and a Capital Improvement Plan.

Mr. Jensen further commented that BAWUA gave its support of the audit of the PUC to address BAWUA's concern regarding the slow progress in the implementation of capital improvement projects.

Commissioner Caen requested staff to provide the Commission with a report on the status of "underway" and "planned" improvement projects and their estimated completion dates.

c. Acting General Manager of Public Utilities

Mr. Moran announced that William Berry, Assistant General Manager for Finance & Administration, would serve as Acting General Manager until the Commission makes the final appointment for an interim General Manager.

d. Special Meeting

A special meeting of the Commission will be held on February 1, 2000 at 10:00 a.m. in Room 416, 1 Dr. Carlton B. Goodlett Place to continue the discussion of the budget.

e. Commissioner Caen commended Andy Moran, Mary Williams and Art Jensen for doing an excellent job in their presentation of the Facilities Reliability Report at a press conference held last Friday, January 21, 2000.

9. Public comments on matters that were not on today's agenda.

Arthur Jensen, General Manager of Bay Area Water Users Association, commented that it was an honor to have worked with Anson B. Moran.

REGULAR

9.a. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 20, 2000).

Item 9.a. was continued to the PUC meeting scheduled on February 1, 2000.

10. Resolution commending Anson B. Moran on the occasion of his retirement.

Commissioner Caen described Mr. Moran as a person who took his work with great care and dedication. She complimented him for his intelligence, clear thinking, and leadership as General Manager of Public Utilities.

Commissioner Makras gave a parallel comparison of Mr. Moran achievements in the PUC with Senator John Stennis, who served as Chairman of the Senate Arms Committee for 12 years. Both Mr. Moran and Senator Stennis played key roles in fighting budget cuts in their organizations and backed spending for infrastructures which in Mr. Moran's case was to maintain the best water supply and distribution system.

Commissioner Cook commended Mr. Moran for his knowledge of the Public Utilities Commission.

Mr. Moran took the opportunity to thank the managers and staff of the Public Utilities Commission for their support and hard work.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to adopt Item 10; passed (4-0) unanimously.

Resolution No. 00-0023: Commending Anson B. Moran for 26 years of service to the City and County of San Francisco.

Commissioner Makras was excused at 3:10 P.M.

11. Presentation of the proposed Moccasin Communication and Control Center. For discussion only.

Lena Ch'en, Utilities Engineering Bureau Project Manager, gave a slide presentation concerning the proposed Moccasin Communication and Central Control Center. Ms. Ch'en showed schematic diagrams of the proposed building. The 6,000 square feet building will house the SCADA, MIS and operations functions of Hetch Hetchy Water & Power in Moccasin.

Commissioner Caen commented that the diagram showed the space allocated for the ladies room was smaller than the men's room.

President Normandy directed staff to provide a cost comparison of the proposed building and other similar type of structures. He emphasized that the building should be designed to adequately house the existing personnel and address future needs for expansion.

12. Discussion and possible action related to the development of a Westside Basin Groundwater Management Plan.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0024: Authorize the General Manager to enter into an agreement with the City of Daly City to implement a groundwater database clearinghouse and source water protection strategies.

LEASES AND PERMITS

Commissioner Caen moved, seconded by Commissioner Cook to adopt Item Nos. 13 and 14; passed (4-0) unanimously.

13. Resolution No. 00-0025: Authorize a permit to Fair Oaks Beautification Association (FOBA) for the use of approximately 0.34 acres of PUC land located on a portion of Parcels 2014 and 2015 of Bay Division Pipeline Nos. 1 and 2 right of way in Menlo Park, San Mateo County for the construction, maintenance and use of a neighborhood playground and park.
14. Resolution No. 00-0026: Authorize a lease with McLellan Properties, L.L.C., for approximately 0.275 acres of PUC land located on a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California, for parking and landscaping purposes at an annual rental rate of \$12,960.

CONSTRUCTION CONTRACTS

Advertise

President Normandy recommended taking Items 15 through 21 collectively. Staff requested the Commission to hear Items 15 and 17 separately.

Commissioner Caen moved, seconded by Commissioner Cook to adopt Items 16, 18, 19, 20 and 21; passed (3-0) unanimously.

16. Resolution No. 00-0027: Approve final plans and specifications and authorize advertisement for proposals for San Francisco Water Department Contract No. WD-2285, 8-Inch Ductile Iron Main Installation in Geary Expressway between Masonic Avenue and Lyon Street, Baker Street and Divisadero Street, Scott Street and Steiner Street; and Post Street between Gough Street and Larkin Street.
18. Resolution No. 00-0028: Approve final plans and specifications and authorize bid call for San Francisco Water Department Contract WD-2313, Existing Fence Replacement/Upgrade in Alameda and San Mateo Counties.

19. Resolution No. 00-0029: Approve final plans and specifications and authorize bid call for San Francisco Water Department Contract WD-2324, Sunset Reservoir South Basin Cleaning and Repair.
20. Resolution No. 00-0030: Approve final plans and specifications and authorize bid call for Clean Water Program Contract No. CW-165, Clipper/Noe/Fair Oaks/Kingston Streets Sewer Replacement.
21. Resolution No. 00-0031: Approve final plans and specifications and authorize bid call for Clean Water Program Contract No. CW-257, Outfall Repairs at Various Locations.

Commissioner Makras returned at 3:33 P.M.

15. Discussion and possible action related to San Francisco Water Department Contract No. WD-2166, CDD Safety & Environmental Hazard Abatement.

Michael Quan, Manager of Utilities Engineering Bureau, noted that the two bids received in November exceeded the engineer's estimate by 40 to 60%. Mr. Quan stated that at the time the bid went out, the labor market was very tight and there was not a large pool of contractors interested in the project.

Mr. Quan stated that staff was recommending to reject the two bids received and rebid the contract to solicit more competitive bids. He said that staff conducted an extensive outreach and found that various contractors would be interested to bid on the project if it were readvertised. Mr. Quan stated that the original engineer's estimate for the project would still be valid.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

- Resolution No. 00-0032: Reject all bids received for San Francisco Water Department Contract No. WD-2166, and readvertise the contract as San Francisco Water Department Contract No. WD-2166R.

17. Discussion and possible action related to San Francisco Water Department Contract No. WD-2295, SFWD/SCVWD Intertie Pipeline and Pump Station.

Commissioner Makras expressed concerns that the cost of the project outweighs the benefits it will provide the PUC. He was also concerned that there are other capital improvement projects more critical than this project. He indicated that staff should categorize the projects and group them by priority. Commissioner Caen concurred that staff should decide which projects should be done first and determine how each project fits into other capital improvement projects.

President Normandy inquired whether there are benefits that offset the concerns raised. Mr. Quan explained that the intertie project would allow the transfer of 40 million gallons per day (mgd) of water to San Francisco from the Santa Clara Valley Water District in the event the Irvington Tunnel is inoperable.

Commissioner Makras asked about the significance of the project to system reliability. Mr. Moran responded that the Irvington Tunnel is the only access we have to the east and one of the few options available to re-establish water service if Irvington Tunnel were to fail. The tunnel is in the area that is hydraulically vulnerable to any seismic event. He said the other option was to build another tunnel which is not the cheapest and the quickest option.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-1) unanimously. Commissioner Makras voted no.

Resolution No. 00-0033: Approve final plans and specifications; and authorize bid call for San Francisco Water Department Contract No. WD-2295; approve two agreements between the SFPUC and the Santa Clara Valley Water District for the development of the intertie facility and its long term operation and maintenance; and approve an "Encroachment Permit" from the City of Milpitas for the construction of a connecting 42" pipeline.

Award

President Normandy recommended taking Items 22, 23, 24, 25, 26 and 27 collectively. Items 22 and would be heard separately.

Commissioner Caen moved, seconded by Commissioner Cook to adopt Items 23, 24, 26 and 27; passed (4-0) unanimously.

23. Resolution No. 00-0035: Award San Francisco Water Department Contract No. WD-2202, 12-Inch Ductile Iron Main Installation in 24th Street between Valencia Street and Harrison Street in the amount of \$694,963 to the lowest responsive and responsible bidder, J. Flores Construction Company, Inc.

24. Resolution No. 00-0036: Award San Francisco Water Department Contract No. WD-2240, 8-Inch Ductile Iron Main Installation in Golden Gate Avenue from Van Ness Avenue to Divisadero Street, in the amount of \$1,115,250 the lowest responsive and responsible bidder, JMB Construction, Inc.
26. Resolution No. 00-0037: Award Clean Water Program Contract No. CW-123R, Harding Park Sewer Replacement, in the amount of \$438,800 to the lowest responsive and responsible bidder, Troy's Contracting/Trinet Construction, Inc., JV.
27. Resolution No. 00-0038: Award Clean Water Program Contract No. CW-164, Alemany/Mount Vernon/Joost Sewer Replacement in the amount of \$292,599.66 to the lowest responsive and responsible bidder, Mitchell Engineering.
22. Discussion and possible action related to San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement. (Continued from the meeting of January 11, 2000.)

Mr. Quan reported that at the January 11, 2000 Commission meeting, the Commission directed staff to write a letter to the Human Rights Commission to assess Schram Construction Inc.'s (Schram) certification as local minority business enterprise. The letter was sent to HRC and a copy furnished to Schram. HRC responded that Schram Construction was decertified as a local minority business enterprise and they were not qualified for the 10% bid discount.

Dale Manwiller of Schram Construction Inc. commented that they have not received anything from HRC and therefore they are requesting the Commission to postpone its action until they get HRC's final ruling.

Virginia Harmon, HRC Contract Compliance Officer, clarified that Schram had been decertified by HRC several months ago. She stated that there was no change in Schram's certification status and they remain ineligible for the 10% bid discount. She further stated that Schram was advised of the fact that they were decertified as local minority contractor.

Commissioner Cook indicated that once a contractor's qualification is questionable, the contractor should be excluded from participating in our contracts. He suggested enforcing a penalty if contractors do not comply with contracting standards. He reiterated that the protest should have not been brought to the Public Utilities Commission, which already caused delays to the project.

Commissioner Normandy emphasized that Schram's protest is not an issue for the Public Utilities Commission; however, the Commission extended its action on this item as courtesy to Schram. He stated that the Commission would no longer postpone action on this item beyond today's meeting.

Commissioner Makras asked Schram if they have contacted HRC from the last meeting to determine the status of their protest. Mr. Manwiller responded that they do not have any contact with HRC since January 6, 2000.

Commissioner Makras stated that the Commission unequivocally extended time to Schram to explore their options. Based on public comment today, Schram did not exercise that option by not contacting the Human Rights Commission. He said that he was satisfied that HRC acted properly on this matter and that there is appropriate documentation to allow the Commission to proceed with staff's recommendation.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0034: Award San Francisco Water Department Contract No. WD-2242R, Thomas Shaft Chlorination Improvement in the amount of \$4,327,465 to Homer J. Olsen Inc.; and approve transfer of \$1,991,088 from closeout of various Water Enterprise projects.

25. Discussion and possible action related to San Francisco Water Department Contract No. WD-2283, Clarendon Pump Station and Pipelines to Stanford Heights and Summit Reservoirs.

Mr. Quan reported that staff received nine good bids in December 1999. McKee Corporation submitted the lowest bid but they later withdrew their bid. After HRC discounts were applied, Mitchell Engineering was determined to be the lowest responsible bid.

Dan Manwiller of Schram Construction commented that they filed a protest on the award to Mitchell Engineering and they have not heard from anyone about the status of their protest.

Mr. Quan responded that Schram submitted a protest dated December 27, 1999 to staff and staff determined that the protest was without merit.

Commissioner Makras urged the Commission to vote in favor of staff's recommendation, as this is a project on the critical path and sensitive to other PUC projects. He acknowledged the concerns that Schram Construction raised, and that he evaluated them but he did not find them persuasive enough.

Commissioner Cook moved, seconded by Commissioner Makras, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0039: Award San Francisco Water Department Contract No. WD-2283, Clarendon Pump Station and Pipelines to Stanford Heights and Summit Reservoirs, in the amount of \$7,929,799 to the lowest responsive and responsible bidder, Mitchell Engineering.

PROFESSIONAL SERVICE CONTRACTS

Award

28. Discussion and possible action related to Contract No. CS-548, Water Quality Engineering/Environmental Services & Regulatory Compliance.

Commissioner Makras commended staff for formulating a contract that is consistent with the Commission's goal to spread the work to as many qualified consultants and use the expertise of different consultants.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0040: Authorize the Water Quality Bureau Manager to negotiate and execute standard professional services agreements with Camp, Dresser & McKee to provide specialized engineering services (Group A), and Merritt Smith Consulting Services to provide environmental services (Group B), for a total spending authority not to exceed \$1,100,00 for each individual contract, for a period not to exceed two years.

CLOSED SESSION

The Public Utilities Commission went into Closed Session at 4:14 P.M. to discuss the items listed under Closed Session. The Commission took the items out of order as they appear below.

33. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: As Defendant

Present were President Normandy, Vice President Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, Romaine Boldridge, Commission Secretary, Lawrence Klein, Acting Assistant General Manager for Operations, Gary Dowd, Manager, Bureau of Commercial Land Management, Cheryl Davis, Manager, Water Supply & Treatment Division, Charles Sullivan, Deputy City Attorney, and John Malamut, Deputy City Attorney.

No action was taken.

29. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Present were President Normandy, Vice President Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, Romaine Boldridge, Commission Secretary, Lawrence Klein, Acting Assistant General Manager for Operations, Gary Dowd, Manager, Bureau of Commercial Land Management, Cheryl Davis, Manager, Water Supply & Treatment Division, Charles Sullivan, Deputy City Attorney, and John Malamut, Deputy City Attorney.

No action was taken.

36. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

Present were President Normandy, Vice President Makras, Commissioner Frank L. Cook, and Commissioner Ann Moller Caen.

No action was taken.

Note: Commissioner Makras was excused at 5:05 P.M.

30. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property:	Skyline Quarry, San Francisco Watershed Lands in San Mateo County
Parties Negotiating:	CCSF – Dowd/Hickman
Permittee:	San Francisco Police Department
Under Negotiation:	MOU Renewal

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, Romaine Boldridge, Commission Secretary, Gary Dowd, Manager, Bureau of Commercial Land Management, Cheryl Davis, Manager, Water Supply & Treatment Division, Steve Medbery, Manager, Bureau of System Planning Environment & Compliance, Joseph Naras, Watershed Resource Manager, Robert Hickman, Manager, Regulatory and Environmental Affairs, Bureau of System Planning Environment & Compliance, and Phil Caskey, Water Quality Bureau Environmental Services Manager.

Moved by President Normandy, seconded by Commissioner Caen to deny the permit requested; passed (3-0) unanimously.

Resolution No. 00-0041: Deny permit to Skyline Quarry.

31. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Portions of Parcel 65 in Sunol, Alameda County
Parties Negotiating:	CCSF – Dowd/Milstein
Lessee:	Mission Valley Rock/RMC Lonestar
Under Negotiation:	Price and Terms

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, Romaine Boldridge, Commission Secretary, and Gary Dowd, Manager, Bureau of Commercial Land Management.

No action was taken.

32. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: APN 096-0140-015 Hetch Hetchy Maintenance Yard, Sunol, CA
Parties Negotiating: Dowd/Naras
Permittee: Alameda County
Under Negotiation: Potential use of the property for a LPG Fueling Station

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, Romaine Boldridge, Commission Secretary, and Gary Dowd, Manager, Bureau of Commercial Land Management.

No action was taken.

34. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: PRC Patterson Superfund Site, US EPA Unilateral Administrative Order for Performance of Removal Action No. 98-12A.

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, and Romaine Boldridge, Commission Secretary.

Moved by Commissioner Caen, seconded by Commissioner Cook, to recommend a settlement; passed (3-0) unanimously:

Resolution No. 00-0042: Recommend a settlement in the claim of PRC Patterson Superfund Site, US EPA Unilateral Administrative Order for Performance of Removal Action No. 98-12A.

35. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c):

Anticipated Litigation: Gerri M. Demsey, File No. 98W0157-01, Claim No. 99-04040.

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Anson B. Moran, General Manager, Public Utilities Commission, Vicki Clayton, Utilities General Counsel, William Berry, Assistant General Manager for Finance & Administration, and Romaine Boldridge, Commission Secretary.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0043: Recommend a settlement in the claim of Gerri M. Demsey, File No. 98W0157-01, Claim No. 99-04040

Commissioner Makras returned at 5:24 p.m.

37. Public comments on matters to be discussed in Closed Session.

There was none.

38. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

At 5:25 P.M., the Commission reconvened in open session.

39. Announcement following Closed Session.

Romaine A. Boldridge, Commission Secretary, announced the actions taken during the Closed Session.

40. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:26 P.M.

Romaine A. Boldridge
Secretary

ACCEPTANCE REMARKS, BY SFPUC PRESIDENT NORMANDY

JANUARY 25, 2000

Commissioners, thank you for your expression of confidence in electing me anew to the Presidency.

Ann, it will be difficult to measure up to the high standards of your year and a half as President. It was a privilege to witness and benefit from your leadership, diligence, wisdom, warmth and unfailing graciousness as you dealt with all manner of issues and people alike.

Frank, you were to have succeeded Ann. Had you not declined the post so emphatically, I would not be taking the gavel just yet. Nevertheless, we all continue to delight in your camaraderie, to admire the integrity from which clearly springs the strength of your convictions, and to share in the constancy of your vision.

Victor, it is an honor to share the helm with you once more. You bring formidable talents, great generosity of spirit, and a capacity for moving seamlessly from difference of opinion to unified action. Time and again, you have proven that friendship and mutual respect never need to be sacrificed in the heat of spirited debate and honest intellectual battle.

The Chinese have an ancient curse that goes, "May you live in interesting times." We could not have picked more interesting times than the next few years.

We face many challenges—not the least of which will be to find successors for the likes of **Andy Moran, Carolyn Olsen, Tim Dayonot, Michele Pla, Romaine Boldridge** and other valuable personnel. Retirement and the lures of career advancement elsewhere have taken their toll on the SFPUC.

We need to increase our existing water supplies by at least 30 percent, maintain filtration exemption for the Hetch Hetchy supply, weigh the health needs of our customers and our stewardship of the environment against the demands of pleasure seekers for access to our

watersheds, and –most importantly—seismically retrofit and update our vast and aged facilities at a projected cost of over \$3 billion. Financing such a large capital improvement program is a major challenge, because San Francisco ratepayers cannot carry the full cost.

We need to find ways to offset serious declines in our power revenues caused by deregulation and prohibitions against sales to private entities. Our power generation is restricted to those months when we are sure that sufficient storage exists in our reservoirs to meet customer water needs. To preserve water storage levels, we often need to purchase power from others and sell it at a loss simply to meet standing contractual obligations. The annual revenue transfer to San Francisco's General Fund, **required by the City Charter**, further depletes our resources.

We need to solve sewer-related problems we inherited when the Clean Water Program was transferred to the SFPUC in 1996. Overflows and odors from the outdated Southeast Plant in the Bayview district require immediate remedies. Replacing hydraulically inadequate sewers and building new transport facilities for combined stormwater and sewage flows will take some \$800 million we do not have. Frozen sewer-service rates leave few prospects for raising the money other than through new bond issues.

These challenges are daunting. But they also provide **opportunities**: to craft a stronger management structure, to evolve new ways of doing business and raising revenues, to reach out in better fashion to all our constituents and stakeholders so as to arrive at broader-based solutions.

Given this perspective, I would like to see us achieve several key objectives starting this year:

- a) **Cut operating costs further.** As we seek increased funding from ratepayers and investors, we need to be able to prove how effectively and efficiently we manage our existing resources.
- b) **Strengthen regional ties.** Our operations cover a huge area, affecting people well beyond the boundaries of San Francisco. Without abdicating any of our own rights or

authority, we need to build closer relationships with our neighbors for everyone's mutual benefit. **Mayor Willie Brown, Jr.** underscored this in his recent re-inaugural address.

- c) **Refocus on water.** We own extensive real estate, most of which now generates fair-market revenues thanks to Commissioners **Victor Makras, Robert Werbe** and **Sal Salma**, and Commercial Land Division Manager **Gary Dowd**. Their achievements free us to concentrate henceforth on water, power, and sewage issues, which are the mainstays of our enterprise.
- d) **Concentrate on policymaking.** The Commission's foremost task is to provide the over-riding framework of principles, priorities, processes, and resources that are needed to guide the conduct of the SFPUC. For us to be overly distracted by the demands of day-to-day operations would be to put the SFPUC at risk of having outside forces grab the initiative and dictate to us the management of our own affairs.

In all this, I pledge you my best. In working the close to 20 hours a week required of the Commission President. In assuring fair hearings, inclusiveness, and responsiveness. In demanding excellence and "win-win" solutions. In continuing to be tough on issues but soft on people. And, in acknowledging that in the important work that lies ahead, our very best assets are the men and women of the SFPUC. Thank you.

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

February 1, 2000

10:00 A.M.

City Hall, Room 416
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

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Water Department
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Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

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Customer Service
Finance
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Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 416, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

SPECIAL ORDER OF BUSINESS

3. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 25, 2000).

Staff Recommendation: For discussion only.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

6. Public comments on matters to be discussed in Closed Session.
7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.
9. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

February 1, 2000
10:00 A.M.
City Hall, Room 416
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

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City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

For information contact the Commission Secretary at 554-3165.
Minutes are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

1. Call to order: 10:21 A.M.
2. Roll Call: Present - President E. Dennis Normandy, Commissioner
Ann Moller Caen, Commissioner Frank L. Cook

Excused - Vice President Victor G. Makras

SPECIAL ORDER OF BUSINESS

3. Public Hearing to consider budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of January 25, 2000).

Michael Carlin, Manager, Water Resource & Planning Manager, gave a presentation regarding the SFPUC Capital Program for FY 2000-2001.

William Berry, Assistant General Manager for Finance & Administration, stated that the Clean Water Program has \$17 million available for spending on capital projects in FY 2000-01 budget. The enterprise identified capital projects totaling \$41 million. To continue funding the Capital Improvement Program, Mr. Berry commented that the SFPUC needed to seek voter's approval by November 2001 to issue revenue bonds.

President Normandy requested staff to provide the Commission with a consolidated summary of the budget and provide a breakdown of the annual and incremental budgets.

Arthur Jensen, General Manager of the Bay Area Water Users Association, expressed appreciation to staff for their responsiveness to BAWUA's questions related to the budget. He also stated that BAWUA would undertake its own study on other alternatives to finance joint projects with the PUC.

President Normandy stated that he would use the budget planning documents presented at the last PUC meeting as benchmark for each department of the PUC and use it as measure of success or failure on whether a department met the objectives they established for FY 2000-01.

President Normandy suggested that staff take a proactive approach in managing the use of overtime. Commissioner Cook commented that different shift patterns generate overtime. He requested that staff provide information regarding the 12- and 10- hour work shifts. He indicated that hiring additional staff is another way of eliminating overtime.

Tony Flores, Manager of City Distribution Division (CDD), handed out a summary of CDD's Capital Improvement Projects and their status to date. A map showing the location of CDD capital projects was also provided with the summary. Mr. Flores noted that CDD has money to design projects but there are no funds to build projects beyond two years.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

Present were President Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Vicki Clayton, Utilities General Counsel, William Berry, Acting General Manager of Public Utilities, Lorna T. Navarro, Acting Commission Secretary, John Malamut, Deputy City Attorney, and Monique Moyer from the Mayor's Office.

No action was taken.

5. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Present were President Normandy, Vice President Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, and Vicki Clayton, Utilities General Counsel.

Position:	General Manager of Public Utilities
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The Commission voted unanimously to recommend the appointment of John Mullane as General Manager for SFPUC.

Resolution No. 00-0044:	Recommend to the Mayor the appointment of John Mullane as General Manager for the San Francisco Public Utilities Commission.
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6. Public comments on matters to be discussed in Closed Session.

There was none.

7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

The Public Utilities Commission went into Closed Session to discuss above listed closed session matters at 11:02 A.M.

Following the closed session, the Public Utilities Commission reconvened in public session at 12:22 P.M.

8. Announcement following Closed Session.

President Normandy announced the actions taken in Closed Session.

President Normandy thanked William Berry, Assistant General Manager for Finance & Administration, for assuming the duties of the PUC General Manager after the departure of Anson Moran.

President Normandy announced that the Commission had decided to set a criteria in the selection of the Acting General Manager. He stated that the criterion agreed upon was that the person would not be interested in the permanent General Manager position. The Commission felt it was inappropriate that there would be undue advantage given to a single person who is already serving in the acting capacity. Therefore, those individuals who indicated a desire to be considered as candidates for the position of the General Manager were not considered for the Acting GM position. He stated that John Mullane had volunteered to take himself out for consideration for the permanent GM position. Based on this, the Commission unanimously voted to appoint John P. Mullane as interim General Manager of Public Utilities effective immediately until a General Manager is appointed. Mr. Mullane's appointment is subject to the Mayor's final approval.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussions during Closed Session; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 12:27 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

February 8, 2000

1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

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Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

REGULAR BUSINESS

9. Public Hearing to consider adopting budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Berry)

Staff Recommendation: a) Adopt the proposed Operating Budgets for the enterprises and bureaus of the Public Utilities Commission for Fiscal Year 2000-2001.

 b) Adopt the proposed Capital Improvement Program for Hetch Hetchy Water & Power, Water, and Clean Water Enterprise for Fiscal Year 2000-2001.

10. Discussion and possible action related to the Lead Free Faucet Replacement Program. (Mullane)

Staff Recommendation: Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low income families in San Francisco.

11. Report regarding the leak of riveted steel 30" diameter Baden-Merced pipeline that serves Merced Manor Reservoir in San Francisco. (Davis)

Staff Recommendation: For discussion only.

12. Resolution commending Romaine A. Boldridge on the occasion of her retirement.

Staff Recommendation: Adopt a resolution commending Romaine A. Boldridge, Commission Secretary.

LEASES AND PERMITS

13. Discussion and possible action related to a lease with H and N Fish Company. (Dowd)

Staff Recommendation: Authorizing a lease with H and N Fish Company for approximately 14,899 square feet of SFPUC land located on a portion of Parcel 18, Block 4343 on Jerrold Street, San Francisco to be utilized for parking, warehouse staging and loading purposes, at an annual rental rate of \$24,136.38.

14. Discussion and possible action related to a permit with the City of Santa Clara. (Dowd)

Staff Recommendation: Authorizing a lease with the City of Santa Clara for approximately 66,423 square feet of SFPUC land located on Bay Division Pipelines No. 3 and 4 right of way, Parcel 128 in Santa Clara to be utilized for a pedestrian and emergency vehicle path.

CONSTRUCTION CONTRACTS

Advertise

15. Discussion and possible action related to Clean Water Program Contract No. CW-174. (Quan)

Staff Recommendation: Approving the final plans and specifications, and authorizing advertisement for proposals for CW-174, Howard/Minna/Second Streets Sewer Replacement

16. Discussion and possible action related to Clean Water Program Contract No. CW-251. (Quan)

Staff Recommendation: Approving the final plans and specifications, and authorizing advertisement for proposals for CW-251, 11th and 22nd Avenue Sewer Replacement

Award

17. Discussion and possible action related to San Francisco Water Department Contract WD-2278. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract WD-2278, Crystal Springs Pipeline No. 2 Section 3 and Sunset Supply Pipeline Cathodic Protection, in the amount of \$480,000 to the lowest responsive and responsible bidder, American Construction & Supply Co.

18. Discussion and possible action related to San Francisco Water Department Contract WD-2311. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract WD-2311, CDD Newcomb Avenue Facilities Security and Fire Protection, in the amount of \$602,500 to the lowest responsive and responsible bidder, Schram Construction Inc.

19. Discussion and possible action related to Clean Water Program Contract No. CW-177. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-177, Sacramento/Pierce/Wilmot Streets Sewer Replacement, in the amount of \$294,000 to the lowest responsive and responsible bidder, K. J. Woods Construction.

20. Discussion and possible action related to Clean Water Program Contract No. CW-192. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-192, Fiber Optic Duct Bank Restoration, in the amount of \$96,100 to the lowest responsive and responsible bidder, Millard Tong Construction Co.

21. Discussion and possible action related to Clean Water Program Contract No. CW-236. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-236, Southeast Water Pollution Control Plant 250 MGD – Phase 2 in the amount of \$3,230,048 to the lowest responsive and responsible bidder, Homer J. Olsen, Inc.

Amend

22. Discussion and possible action related to Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment. (Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment as satisfactorily complete; approve contract modification No. 1 in the credit amount of \$34,495; and approve final payment of \$4,125 to Shaw Pipelines, Inc.

23. Discussion and possible action related to Clean Water Program Contract No. CW-167.
(Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-167, Grant Avenue/Chestnut Street Sewer Replacement as satisfactorily complete; approve contract modification No. 1 in the credit amount of \$1,950; and approve final payment of \$56,688 to Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

24. Discussion and possible action related to Contract No. CS-525, Construction Management Services. (dela Cruz)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to execute agreements with three highest ranked consultants to provide construction management services, and award \$800,000 to the top firm, and \$600,000 each to the remaining two firms for a sum total of \$2,000,000 for a term of two years.

CLOSED SESSION

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

26. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: Britt Lewis v. CCSF, San Mateo Superior Court No. C161644.

28. Public comments on matters to be discussed in Closed Session.
29. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS
ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL
RECONVENE IN PUBLIC SESSION.

30. Announcement following Closed Session.
31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

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Main Public Library
Government Information Center
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MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

February 8, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

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Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

Anson B. Moran
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

1. Call to order: 1:34 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook,

Commissioner Caen arrived at 1:40 P.M.
3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Makras, to approve the Minutes of the Regular Meeting of January 11, 2000; passed (3-0) unanimously.
4. Communications

No action was taken.
5. Introduction of Old/Ongoing Business by Commissioners

President Normandy directed staff to drop his request to publish a commemorative issue of the Flow for Year 2000.
6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.
7. Report of the General Manager

President Normandy announced that the Mayor, at the Commission's recommendation, approved the appointment of John P. Mullane, Jr. as the interim General Manager of the Public Utilities Commission.

John Mullane advised the Commission of forthcoming special Commission meetings on February 16 and February 29.

Cheryl Davis, Manager, Water Supply Division, reported that she attended three public hearings conducted by the San Francisco Planning Commission concerning the Alameda and Peninsula Watershed Management Plan Environmental Impact Reports. The Commission held a public hearing in Pleasanton concerning the Alameda Watershed Management Plan (EIR) on January 25, 2000. On February 1, 2000, they held a public hearing in San Mateo to consider the Peninsula Watershed Management Plan EIR. The Planning Commission also held a public hearing in San Francisco City Hall regarding both EIR's. She noted that the majority of public comments were in favor of more public access in the watershed. Others expressed concerns about water quality and environmental issues. Ms. Davis stated that staff would provide the Commission with an analysis of comments made by speakers at both hearings.

8. Public comments on matters that were not on today's agenda.

There was none.

REGULAR

9. Public Hearing to consider adopting budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001.

- Staff Recommendation:
- a) Adopt the proposed Operating Budgets for the enterprises and bureaus of the Public Utilities Commission for Fiscal Year 2000-2001.
 - b) Adopt the proposed Capital Improvement Program for Hetch Hetchy Water & Power, Water, and Clean Water Enterprise for Fiscal Year 2000-2001.

Commissioner Caen inquired whether the recommendations proposed in the Long Range Financial Report submitted by Bartle Wells Associates were incorporated in the budget for the next fiscal year. Carlos Jacobo, Acting Director for Finance, responded positively.

Commissioner Makras requested staff to provide a list of sewers that are planned for repair or replacement.

Commissioner Makras expressed concerns with budgeting for salary savings and how that could be taken out of the budget for next fiscal year. He stated that as a proper budgeting practice, if we are not successful in hiring people in over 1,000 days or three calendar years, we should reduce the salary savings. He indicated that for the next fiscal year's budget process, he would be asking for a reduction in that area. He asked staff's input on how that could be accomplished. Mr. Jacobo, responded that staff is currently working with the Bureau of Personnel & Training to see how they would fare out in terms of hiring beginning this fiscal year based on the current number of vacancies. Staff would report to the General Manager on where hiring stands for this year and next year and would submit a recommendation for the following year. Mr. Jacobo noted that salary savings was reduced two years ago by putting funds in "one time salary savings", and that area has not been reviewed yet.

Mr. Mullane stated that staff would develop a plan within the next three months to reduce salary savings, and if the Commission approves the plan, it would be implemented for the next fiscal year.

Commissioner Cook noted that there are salary savings that are mandated in the budget process. He asked if Commissioner Makras was including the mandatory salary savings in his goal for 100% staffing. Commissioner Makras responded that

he supported 100% staffing but he would not approve salary savings for positions that we are not sure are going to be filled.

President Normandy directed staff to provide an updated budget planning documents for all departments and bureaus in July 2000 and add a special section relative to personnel issues. He requested staff to prepare a list of pros and cons relative to the goal of budgeting only for positions we know we can fill from year to year.

Commissioner Makras moved, Commissioner Caen seconded, to adopt the proposed budgets.

John Ummel representing the Bay Area Water Users Association stated that he did not believe that the recommendations contained in the long-range financial report are included in the budget. Commissioner Caen stated that she wanted to get an assurance that those recommendations were incorporated in the budget. She suggested continuing the item to the next meeting of the Commission.

Commissioner Makras and Commissioner Caen withdrew their motion.

Moved by Commissioner Caen, seconded by Commissioner Makras, to continue Item 9a and 9b to the special meeting scheduled on February 16, 2000; (4-0) unanimously.

10. Discussion and possible action related to the Lead Free Faucet Replacement Program.

Staff Recommendation: Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low-income families in San Francisco.

President Normandy moved, Commissioner Cook seconded, to adopt Item 10.

Commissioner Makras inquired whether a Request for Proposal would be issued or a plumber would be hired by the City to install the toilets and faucets. Mr. Mullane responded that the plan was to solicit various organizations to fund the project and if funds are secured, staff was planning to return to the Commission to obtain approval to expend the money and hire a plumber through the Civil Service process.

Commissioner Makras suggested contracting the work to private sectors. He stated that it would be more expensive for the City to hire a plumber as the program involves a lot more work than just installing the fixtures. There are issues such as scheduling these 700 homes. He also expressed concerns about exposing the City to possible liabilities.

President Normandy emphasized that the resolution allows staff to seek funding for the project. However, the Commission wanted to make sure that as staff proceeds

with the project that they look for the most expeditious and most efficient use of the money. He noted that the Commission is interested in a contract for private letting to make sure that the City is not liable on an ongoing basis and that the project is undertaken in tandem with opportunities for internship.

Commissioner Makras stated that he supports the project and the apprenticeship program but he wanted to explore better ways of accomplishing the program practically and consistently. He requested that staff provide the actual costs of the program, product specifications and costs associated with installing the fixtures.

Mr. Mullane suggested continuing the item to the next meeting to allow staff to estimate the cost of contracting the work to a private plumbing company. President Normandy directed staff to submit a funding proposal.

President Normandy and Commissioner Cook withdrew their motion to adopt.

Moved by President Normandy, seconded by Commissioner Makras, to continue Item 10 to the next regularly scheduled meeting on February 22, 2000; (4-0) unanimously.

11. Report regarding the leak of riveted steel 30" diameter Baden-Merced pipeline that serves Merced Manor Reservoir in San Francisco.

Item 11 was removed from the agenda.

12. Resolution commending Romaine A. Boldridge on the occasion of her retirement.

Each Commissioner remarked on Ms. Boldridge's attributes and congratulated her on her retirement. Commissioner Makras recognized the professionalism Ms. Boldridge brought into the department and commended her for longevity in her position as Commission Secretary. Commissioner Caen thanked her for getting things done graciously. Commissioner Cook described Ms. Boldridge as a person with a wonderful personality. President Normandy commended Ms. Boldridge for her fantastic attention to details, diligence and steadfastness. He described Ms. Boldridge as one who represents the institutional memory of the PUC.

Public Comment: Emeric Kalman stated that Ms. Boldridge was one of the best professionals in the San Francisco administrative system and commended her for efficient management of Commission records.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0048: Adopt a resolution commending Romaine A. Boldridge, Commission Secretary.

LEASES AND PERMITS

13. Discussion and possible action related to a lease with H and N Fish Company.

Staff Recommendation: Authorizing a lease with H and N Fish Company for approximately 14,899 square feet of SFPUC land located on a portion of Parcel 18, Block 4343 on Jerrold Street, San Francisco to be utilized for parking, warehouse staging and loading purposes, at an annual rental rate of \$24,136.38.

Moved by Commissioner Makras, seconded by Commissioner Caen, to continue Item 13 to the next regularly scheduled meeting on February 22, 2000; (4-0) unanimously.

14. Discussion and possible action related to a permit with the City of Santa Clara.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0045: Authorizing a lease with the City of Santa Clara for approximately 66,423 square feet of SFPUC land located on Bay Division Pipelines No. 3 and 4 right of way, Parcel 128 in Santa Clara to be utilized for a pedestrian and emergency vehicle path.

CONSTRUCTION CONTRACTS

Advertise

15. Discussion and possible action related to Clean Water Program Contract No. CW-174.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0046: Approving the final plans and specifications, and authorizing advertisement for proposals for CW-174, Howard/Minna/Second Streets Sewer Replacement.

16. Discussion and possible action related to Clean Water Program Contract No. CW-251.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0047: Approving the final plans and specifications, and authorizing advertisement for proposals for CW-251, 11th and 22nd Avenue Sewer Replacement

Award

17. Discussion and possible action related to San Francisco Water Department Contract WD-2278.

Michael Quan, Manager of Utilities Engineering Bureau, reported that due to the highly specialized nature of work involved, only three bids were received and those bids exceeded the engineer's estimate. He said staff was not recommending a rebid of the contract, as there are only a few contractors available to perform the work. Mr. Quan noted that several protests were received from the second low bidder, Millard Tong Construction Co. Inc., who would have been the low bidder after the application of HRC bid discounts. Staff reviewed the protests with the City Attorney's Office and determined that Millard Tong's bid was non responsive as they did not meet the qualification requirements of the specialized work. They did not have the five years experience performing the type of specialized work required. In addition, neither Millard nor their subcontractors possess a C-57 license required by the State Water Code for cathodic type of work.

Mr. Harry Pedego, representing Millard Tong Construction, Inc. urged the Commission to extend due process to Millard Tong and give them an opportunity to address the issues raised against them being awarded the contract.

Commissioner Makras stated that in the past a license was not used to disqualify a bidder from the process. Mr. Quan responded that due to the specialized nature of work, the bid package required bidders to detail the experience they have done in the past. With regard to the license, the State Water Code requires that for cathodic type of work a contractor must possess a C-57 license. He added that staff had extended Millard Tong due process for the last four months.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0049: Award San Francisco Water Department Contract WD-2278, Crystal Springs Pipeline No. 2 Section 3 and Sunset Supply Pipeline Cathodic Protection, in the amount of \$480,000 to the lowest responsive and responsible bidder, American Construction & Supply Co.

Items 18, 19 and 20 were taken collectively.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Items 18, 19, and 20; (4-0) unanimously.

18. Resolution No. 00-0050: Award San Francisco Water Department Contract WD-2311, CDD Newcomb Avenue Facilities Security and Fire Protection, in the amount of \$602,500 to the lowest responsive and responsible bidder, Schram Construction Inc.
19. Resolution No. 00-0051: Award Clean Water Program Contract No. CW-177, Sacramento/Pierce/Wilmot Streets Sewer Replacement, in the amount of \$294,000 to the lowest responsive and responsible bidder, K. J. Woods' Construction.
20. Resolution No. 00-0052: Award Clean Water Program Contract No. CW-192, Fiber Optic Duct Bank Restoration, in the amount of \$96,100 to the lowest responsive and responsible bidder, Millard Tong Construction Co.
21. Discussion and possible action related to Clean Water Program Contract No. CW-236.

Moved by Commissioner Cook, seconded by Commissioner Normandy, to adopt the following resolution; (4-0) unanimously.

- Resolution No. 00-0053: Award Clean Water Program Contract No. CW-236, Southeast Water Pollution Control Plant 250 MGD – Phase 2 in the amount of \$3,230,048 to the lowest responsive and responsible bidder, Homer J. Olsen, Inc.

Amend

22. Discussion and possible action related to Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

- Resolution No. 00-0054: Accept work performed for Clean Water Program Contract No. CW-132, 2nd and 9th Streets Sewer Abandonment as satisfactorily complete; approve contract modification No. 1 in the credit amount of \$34,495; and approve final payment of \$4,125 to Shaw Pipelines, Inc.

23. Discussion and possible action related to Clean Water Program Contract No. CW-167.

Resolution No. 00-0055: Accept work performed for Clean Water Program Contract No. CW-167, Grant Avenue/Chestnut Street Sewer Replacement as satisfactorily complete; approve contract modification No. 1 in the credit amount of \$1,950; and approve final payment of \$56,688 to Harty Pipelines, Inc.

PROFESSIONAL SERVICE CONTRACTS

Award

24. Discussion and possible action related to Contract No. CS-525, Construction Management Services.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0056: Authorize the Utilities Engineering Bureau Manager to execute agreements with three highest ranked consultants to provide construction management services, and award \$800,000 to the top firm, and \$600,000 each to the remaining two firms for a sum total of \$2,000,000 for a term of two years.

CLOSED SESSION

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County

Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton

Under Negotiation: Terms and Conditions

Present: President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Utilities General Counsel Vicki Clayton, Commission Secretary Romaine Boldridge, Deputy City Attorney John Malamut, and representatives from the Mayor's Office Monique Moyer and Emilio Cruz.

No action was taken.

26. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

Present: President Normandy, Vice President Makras, Commissioner Cook, and Commissioner Caen.

No action was taken.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Britt Lewis v. CCSF, San Mateo Superior Court No. C161644.

Present: President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Utilities General Counsel Vicki Clayton, and Commission Secretary Romaine Boldridge.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0057: Approve a settlement in the case of Britt Lewis v. CCSF, San Mateo Superior Court No. C161644.

28. Public comments on matters to be discussed in Closed Session.

There was none.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 2:50 P.M. to discuss the above listed Closed Session items:

At 4:30 P.M., the Commission reconvened in open session.

30. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:32 P.M.

Romaine A. Boldridge
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

February 15, 2000

10:00 A.M.

*City Hall, Room 416
1 Dr. Carlton B. Goodlett Place*

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

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Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

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Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Romaine A. Boldridge
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

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Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

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Public comment will be taken on each item.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action related to the San Francisco Water Department property on Bernal Avenue in Alameda County. (Malamut)

Staff Recommendation: Authorizing the exclusive negotiation with the City of Pleasanton for the purchase and sale of a portion of the Bernal Property in accordance with a draft Term Sheet.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

5. Public comments on matters to be discussed in Closed Session.
6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

SPECIAL MEETING

***February 16, 2000
2:00 P.M.***

***City Hall, Room 416
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COMMISSIONERS

**E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen**

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Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control**

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

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Public comment will be taken on each item.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action related to the San Francisco Water Department property on Bernal Avenue in Alameda County. (Malamut)

Staff Recommendation: Adopting findings pursuant to the California Environmental Quality Act, declaring the Bernal Property to be surplus, and endorsing the Term Sheet for the sale of the Bernal Property to the City of Pleasanton and to a private developer.

4. Public Hearing to consider adopting budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of February 8, 2000.) (Berry)

Staff Recommendation:

- a) Adopt the proposed Operating Budgets for the enterprises and bureaus of the Public Utilities Commission for Fiscal Year 2000-2001.
- b) Adopt the proposed Capital Improvement Program for Hetch Hetchy Water & Power, Water, and Clean Water Enterprise for Fiscal Year 2000-2001.

CLOSED SESSION

5. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

6. Public comments on matters to be discussed in Closed Session.
7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

8. Announcement following Closed Session.
9. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

February 15, 2000
10:00 A.M.
City Hall, Room 416
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Lorna T. Navarro
ACTING SECRETARY

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ORDER OF BUSINESS:

1. Call to order: 10:11 A.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

President Normandy took the agenda out of order. The minutes reflect the order in which the items were taken.

CLOSED SESSION

5. Public comments on matters to be discussed in Closed Session.

There was none.

6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 10:14 A.M. to 10:45 A.M. to discuss the following matter:

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Utilities General Counsel Vicki Clayton, Public Utilities General Manager John P. Mullane, Jr., Assistant General Manager for Finance & Administration William Berry, Acting Commission Secretary Lorna T. Navarro, Deputy City Attorney John Malamut, Deputy City Attorney Charles Sullivan, Mayor's Office representative Monique Moyer, and members of the Bernal Project consulting team, Bruce Lymburn and Dean Macris.

No action was taken.

7. Announcement following Closed Session.

President Normandy announced that there was no action taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during Closed Session; passed (4-0) unanimously.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible related to the San Francisco Water Department property on Bernal Avenue in Alameda County.

President Normandy suggested modifying the sixth whereas clause of the resolution to replace the phrase "*it is in the best interest of the City*" with "*it would be appropriate for the City*". The 6th whereas clause would then read as follows: "*This Commission believes that, given the current status of the land use entitlements and the contemplated development project, it would be appropriate for the City to negotiate exclusively with Pleasanton for the purchase and sale of a portion of the Bernal Property*";".

Moved by President Normandy, seconded by Commissioner Caen, to approve the following resolution as amended; passed (4-0) unanimously.

Resolution No. 00-0058: Authorize the SFPUC to negotiate exclusively with the City of Pleasanton for the purchase and sale of a portion of the Bernal Property in accordance with the Term Sheet, provided that the Pleasanton City Council certifies the Environmental Impact Report (EIR) and takes formal action to endorse the Term Sheet on or before February 15, 2000.

Thereupon, the meeting was adjourned: 10:46 A.M.

Lorna Navarro
Acting Secretary

AGENDA

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Willie L. Brown, Jr.
MAYOR

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4. Public Hearing to consider adopting budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of February 8, 2000.) (Berry)

Staff Recommendation:

- a) Adopt the proposed Operating Budgets for the enterprises and bureaus of the Public Utilities Commission for Fiscal Year 2000-2001.
- b) Adopt the proposed Capital Improvement Program for Hetch Hetchy Water & Power, Water, and Clean Water Enterprise for Fiscal Year 2000-2001.

CLOSED SESSION

5. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

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PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

1. Call to order: 2:01 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

President Normandy took the agenda out of order. Item 3 was put over for discussion after the Closed Session.

SPECIAL ORDER OF BUSINESS

4. Public Hearing to consider adopting budget proposals for the Operating Budgets and Capital Programs for the enterprises and bureaus under the jurisdiction of the Public Utilities Commission for Fiscal Year 2000-2001. (Continued from the meeting of February 8, 2000.)

William Berry, Assistant General Manager for Finance and Administration, gave a presentation regarding the study conducted by Bartle Wells Associates with respect to the financial condition of the Water Enterprise and the Clean Water Enterprise.

Mr. Berry reported that the Bartle Wells' study found that the PUC: (1) has insufficient revenues to finance the Capital Improvement Program; (2) has weak short-range debt management strategy; (3) needs a long-range debt issuance plan; and, (4) needs to improve its capital planning.

Mr. Berry noted that Bartle Wells recommended using sound financial standards as basis for preparing budgets. The standards they recommended were maintain prudent reserves and unappropriated fund balances equal to 45 days of the department's operating expenses; and maintain debt service coverage equal to 1.5 times debt service. He stated that the budget proposed for FY 00-01 meets the financial standards recommended for each enterprise.

Mr. Berry stated that Bartle Well's key recommendation for the Clean Water Enterprise was reduce operating expenses and seek approval to modify Proposition H if operating expenses cannot be reduced. Other options recommended were increase sewer rates to finance authorized debt and seek additional bonds, consider alternative debt financing options, use of commercial paper programs, and apply for state revolving fund loans.

Mr. Berry reported that staff was preparing a report for Hetch Hetchy Water & Power, similar to Bartle Wells's study. Staff concluded that Hetch Hetchy's financial condition is fair. He stated that power revenues are declining due to deregulation in the power industry while operating and transmission costs are increasing. Staff recommended increasing the budget for capital projects, renegotiating various power contracts, identifying new sources of revenues, and establishing funds for drought reserve.

Mr. Berry summarized the issues that are needed to be addressed relative to PUC finances. They were: (1) pursue voter approval for additional clean water and water bonds; (2) conduct a detailed management review to identify and achieve cost reductions; (3) complete Hetch Hetchy financial report; (4) develop Hetch Hetchy business plan and identify ways to increase revenues; (5) consider forming a Joint Power Authority with suburban customers to help finance system wide improvements; (6) implement long range financial planning process and integrate it with the capital improvement program; (7) develop a specific schedule for debt issuance; (8) investigate ways of providing additional information for budget process; and, (9) establish a finance committee within PUC to deal with financial issues.

Mr. Berry noted that two options were being considered in seeking approval for additional bonds. One was to seek amendment to Prop H in November 2000 to permit a rate increase to cover the debt service for the \$90 million bonds already authorized, and the other alternative was to seek voters' approval for a larger bond to pay the debt service of \$400 million in year 2002. Mr. Medbery stated that staff is considering the second alternative.

Mr. Berry stated that he supported the recommendation to form a Joint Powers Authority.

In response to Commissioner Makras' inquiry, Mr. Berry stated that staff does not have any specific recommendations for cost reduction at this time. Mr. Mullane indicated that staff would return to the Commission with recommendations before the next budget cycle.

Commissioner Caen asked whether staff agreed with the findings and recommendations in the report and whether all recommendations in the report have been met. Mr. Berry responded that he agrees in general with the findings and recommendations. He said that the recommendations that could be implemented in this year's budget have been met.

Commissioner Caen suggested establishing a timeframe to complete the recommendations presented. She also suggested moving forward to put a bond measure in November 2000 and identifying a specific project that would be funded by that measure. Mr. Berry stated that there is not enough time to put a bond measure for the November 2000 ballot. He suggested that June 2001 would be a better time to put a larger bond issue, as it would allow more time to complete a well-documented Capital Improvement Program and educate the voters.

Commissioner Cook suggested that staff provide to the Commission suggestions to reduce operating expenses and explore ways to combine functions within the PUC.

President Normandy directed staff to provide to the Commission, within 30 days, a summary of Bartle Wells's recommendations for each enterprise along with staff's reaction to those recommendations. He also directed staff to provide a definition of financial conditions within the context of the enterprise and the PUC.

President Normandy remarked that cost reductions should be reviewed on an enterprise-by-enterprise basis. He directed staff to submit recommendations, within 90-days, on where to start making cost reductions as well as increasing revenues. He directed staff to develop a plan to beef up the Finance Bureau and ensure that there are available staff resources to meet the requests of the Commission. He directed staff to return to the Commission at the next meeting with a time frame to meet these requirements.

John Ummel, Bay Area Water Users Association, commented that BAWUA agrees with the recommendations that the PUC adopt a long-range financial plan and a long-term capital improvement program by the end of this fiscal year. He stated that BAWUA also concurred that some projects do not need to be done right away. He suggested that the Commission earmark funds for next year's budget for consultant services to study the possible formation of a Joint Powers Authority.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt Items 4.(a) and 4.(b); passed (4-0) unanimously.

Resolution No. 00-0059: (a) Adopt the proposed Operating Budgets for the enterprises and bureaus of the Public Utilities Commission for Fiscal Year 2000-2001.

Resolution No. 00-0060: (b) Adopt the proposed Capital Improvement Program for Hetch Hetchy Water & Power, Water, and Clean Water Enterprises for Fiscal Year 2000-2001.

CLOSED SESSION

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Bruce Lymburn, Bob Thompson, and Dean Macris.

No action was taken.

6. Public comments on matters to be discussed in Closed Session.

There was none.

7. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:20 P.M. to discuss the above listed Closed Session item.

At 3:46 P.M., the Commission reconvened in open session.

8. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

9. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during Closed Session; passed (4-0) unanimously.

SPECIAL ORDER OF BUSINESS

3. Discussion and possible action related to the San Francisco Water Department property on Bernal Avenue in Alameda County.

Commissioner Makras stated that he reviewed the Term Sheet for the disposition of the Bernal property and he found it to be appropriate. He was pleased with the mitigation measures, as they are consistent with the objectives of the Public Utilities Commission.

President Normandy thanked the representatives of the Mayor's Office of Economic Development and the City's negotiating team for reaching a major progress in the process.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0061: Adopting findings pursuant to the California Environmental Quality Act, declaring the Bernal Property

to be surplus, and endorsing the Term Sheet for the sale of the Bernal Property to the City of Pleasanton and to a private developer.

Thereupon, the meeting was adjourned:

3:51 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

**Willie L. Brown, Jr.
MAYOR**

REGULAR MEETING

February 22, 2000

1:30 P.M.

**City Hall, Room 400
1 Dr. Carlton B. Goodlett Place**

1st Posted 2/18/00
DOCUMENTS DEPT.

COMMISSIONERS

**E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen**

FEB 22 2000

**SAN FRANCISCO
PUBLIC LIBRARY**

DEPARTMENTS

**Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control**

BUREAUS

**Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality**

**John P. Mullane Jr.
GENERAL MANAGER**

**Romaine A. Boldridge
SECRETARY**

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. American Society for Range Management Award. (Mullane)
 - b. PUC Employee Recognition Award. (Mullane)
 - c. Summary of Public Meetings on Watershed Environmental Impact Report. (Mullane)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

REGULAR BUSINESS

9. Discussion and possible action related to the Lead Free Faucet Replacement Program.
(Continued from the meeting of February 8, 2000.) (Knox)

Staff Recommendation: Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low-income families in San Francisco.

10. Discussion and possible action related to the proposed sewer relocation alternatives on the Department of Public Transportation Third Street Light Rail Transit Program. (Wong)

Staff Recommendation: Approve and adopt the dual sewer system to be the preferred sewer relocation alternative on the Third Street Light Rail Transit Program and authorize the General Manager of Public Utilities to execute a Memorandum of Understanding with the Department of Public Transportation on the necessary sewer relocation work.

11. Report regarding effectiveness of work performed under the San Joaquin Pipeline Emergency inspection and repair contract. (Halstead)

Staff Recommendation: For discussion only.

LEASES AND PERMITS

12. Discussion and possible action related to a lease with H and N Fish Company. (Continued from the meeting of February 8, 2000. Proposed for continuance to the call of the Chair.) (Dowd)

Staff Recommendation: Authorize a lease with H and N Fish Company for approximately 14,899 square feet of SFPUC land located on a portion of Parcel 18, Block 4343 on Jerrold Street, San Francisco to be utilized for parking, warehouse staging and loading purposes, at an annual rental rate of \$24,136.38.

13. Discussion and possible action related to a lease with Koret Foundation. (Continued from the meeting of October 12, 1999.) (Dowd)

Staff Recommendation: Authorize a twenty (20) year lease with Koret Foundation for approximately 41,817 square feet of San Francisco Public Utilities Commission land located on San Antonio Pipeline and Baden Merced Pipeline Right of Way, Parcel 22 in South San Francisco, to be utilized as a parking lot, ingress and egress and landscaping at an annual rental rate of \$13,211.

14. Discussion and possible action related to a permit with the Department of Public Works. (Dowd)

Staff Recommendation: Authorize a Revocable Permit with the Department of Public Works, for use of Public Utilities Commission land located at Cesar Chavez Street and Evans Avenue in San Francisco to be used for employee parking and storage of bulk landscape materials.

15. Discussion and possible action related to the right-of-way ground lease with San Antonio Center Associates. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Consent of Lessor pursuant to a right-of-way ground lease with San Antonio Center Associates consenting assignment of interest to San Antonio Center, LLC.

CONSTRUCTION CONTRACTS

Advertise

16. Discussion and possible action related to Hetch Hetchy Water and Power Contract No. HH-888, Moccasin Sewer Replacement. (Quan)

Staff Recommendation: Authorize advertisement for bids for Hetchy Hetchy Water and Power Contract HH-888, Moccasin Sewer Replacement.

17. Discussion and possible action related to Clean Water Program Contract No. CW-240. (Quan)

Staff Recommendation: Authorize advertisement for bids for Clean Water Program Contract No. CW-240, Bertita Street/Russia Avenue/South Hill Boulevard/Stillings Avenue Sewer Replacement.

Award

18. Discussion and possible action related to Clean Water Program Contract No. CW-147, Various Pump Stations Improvements Contract 2. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-147, "Various Pump Stations Improvements Contract 2," in the amount of \$582,000.00 to the sole responsive and responsible bidder, Schram Construction.

19. Discussion and possible action related to San Francisco Water Department Contract No. WD-2262. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2262, "6 and 8-Inch Ductile Iron Main Installation in Cesar Chavez Street from Noe Street to Mission Street, Shotwell Street to Harrison Street; and Day Street from Sanchez Street to Dolores Street"; in the amount of \$1,556,065 to the lowest responsive and responsible bidder, Shaw Pipeline, Inc.

Amend

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2216. (Quan)

Staff Recommendation: Approve Contract Modification No. 1 to San Francisco Water Department Contract WD-2216, "8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street, and in 25th Street between Mission Street and Harrison Street," increasing the contract amount by \$64,815.00 and extending contract term to an additional 30 calendar days.

Close

21. Discussion and possible action related to Clean Water Program Contract No. CW-112, 6th/8th/43rd Avenues Sewer Replacement. (Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-112, "6th/8th/43rd Avenues Sewer Replacement" as complete; approve Contract Modification No. 2 (Final) in the credit amount of \$5,360.00 for a new total of \$491,682.00, and approve final payment in the amount of \$74,233.00 to the contractor, Harty Pipeline, Inc.

22. Discussion and possible action related to Clean Water Program Contract No. CW-129, Broadway/Bryant/Sonoma Streets Sewer Replacement. (Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-129, "Broadway/Bryant/Sonoma Streets Sewer Replacement" as complete; approve Contract Modification No. 1 (Final) in the credit amount of \$36,597.00 for a new total of \$204,585.00; and approve final payment in the amount of \$9,425.00 to the contractor, Uniacke Construction, Inc.

23. Discussion and possible action related to six (6) San Francisco Water Department water main replacement contracts: WD-2158, WD-2176, WD-2204, WD-2209, WD-2222 and WD-2232. (Quan)

Staff Recommendation: Accept work performed for the six (6) San Francisco Water Department water main replacement contracts as complete; and approve final payments to the Contractor, A. Ruiz Construction Co. & Assoc., Inc.

CLOSED SESSION

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Ross)

Existing Litigation: IFPTE, Local 21 v. PUC et.al., Superior Court No. 301-722.

26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)B:
(Clayton)

Anticipated Litigation: Facts and circumstances arising from changes to panel composition and rating procedures used in the Program Management contract award process.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(1)(B):
(Wong/Roddy)

Anticipated Litigation: Regarding engineering consultant contract claim.

28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: ABC Auto Parts v. CCSF, Superior Court No. 993-560.

29. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

30. Public comments on matters to be discussed in Closed Session.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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Public Utilities Commission
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San Francisco, CA 94103

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

REGULAR MEETING

MAY 30 2000

February 22, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

SAN FRANCISCO
PUBLIC LIBRARY

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

1. Call to order: 1:43 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Commissioner Frank L. Cook, Commissioner Ann Moller Caen
Excused - Vice President Victor G. Makras

3. Approval of Minutes

There were no minutes submitted.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Caen requested staff to provide a status report on the bottled water project.

Commissioner Caen requested staff to provide a report to the Commission regarding options on when a bond authorization measure could be placed on the ballot. She wanted to know what could be done to put a bond measure in the November 2000 election. Mr. Berry noted that June 2001 would be a more appropriate date as it would allow staff more time to prepare the necessary documentation.

Commissioner Cook suggested that staff fast track the items that were continued to the call of the Chair. President Normandy pointed out that it should not take more than 60 days to bring back an item for action. He directed staff to schedule these items on the agenda as quickly as possible.

6. Introduction of New Business by Commissioners

President Normandy directed staff to report on the status of the feral pig control program in the Alameda watershed.

7. Report of the General Manager

John Mullane, General Manager of Public Utilities, requested continuance of the following items to the meeting dates specified: Item 9 to March 14, 2000, Item 12 to the call of the chair, Item 18 to March 28, 2000, and Item 25 to March 14, 2000. Moved by Commissioner Caen, seconded by Commissioner Cook to continue these items as staff requested; passed (4-0) unanimously.

a) State Audit Report

Mr. Mullane reported that copies of the State Audit Report were distributed to the Mayor, the Board of Supervisors and the Public Utilities Commission. He stated that the audit report contained 12 recommendations and PUC's response to each recommendation. Mr. Mullane stated that the audit's findings were important but they were not news to the PUC. The department has been working on those projects before the audit started and during the time of audit. Many of the plans were complete or would be near completion by the end of this fiscal year. President Normandy concurred with staff comments and further commented that the real issue was the timeline to complete the programs and projects.

Mr. Mullane advised that the State Auditor required the PUC to provide status reports in 60 days, 6 months, and one year and include timelines for implementing the recommendations and submit any documentation that demonstrated an effort to implement the recommendations. He added that there would be a staff assigned specifically to oversee the timely response to the State Auditor.

b) American Society for Range Management Award

Cheryl Davis reported that the California Section of the American Society for Range Management presented an award to the Public Utilities Commission for taking a leadership role in implementing a Grazing Resources Management Plan for the Alameda Creek watershed.

c) Public Utilities Commission Employee Recognition Award

Ms. Davis also reported that the Alameda County Resource Conservation District honored Tim Koopman as 1999 Conservationist of the Year for his work in managing grazing leases on the Alameda watershed.

d) Summary of Public Meetings on Watershed Environmental Impact Report.

Cheryl Davis reported about the public meetings held regarding the Draft Watershed Environmental Impact Report.

Ms. Davis reported that at the hearing held in Pleasanton on January 25, 2000, 12 out of 50 people who attended, expressed concerns regarding quarrying in Sunol and its impact to their community such as noise, habitat loss, creek contamination, and omission of special status species. There were also favorable side comments in support of PUC's policy of restricted public access in the watershed to maintain water quality.

At the hearing held in San Mateo on February 1, 2000, 120 people attended, of which 60 individuals spoke. The public hearing held in San Francisco had 29 attendees, 7 individuals spoke. 70% of the people spoke in favor of open access to watershed for recreational use. Those who opposed expressed concerns about impacts to wildlife habitat and water quality, stream erosion, and other damage that may occur from trail activities when people do not stay on trails.

Ms. Davis noted that staff spoke at the hearing in San Francisco and expressed PUC's commitment to protect water quality and environmental resources. She added that staff also wrote to the San Francisco Planning Commission stating that some mitigation measures in the Environmental Impact Report are too expensive and impractical to implement.

Staff would return to the Commission after the Planning Commission certifies the EIR, which would likely happen in May or early June this year.

President Normandy thanked staff for conveying the Commission's prime responsibility to deliver the cleanest water to customers. He acknowledged that there are many and complex issues to be addressed but he urged staff to ensure that all concerns are addressed including PUC's concern for health and safety of its customers and the concerns of those interested in the use of the watershed for recreational purposes.

8. Public comments on matters that were not on today's agenda.

Arthur M. Jensen, General Manager of Bay Area Water Users Association (BAWUA), stated that BAWUA looks forward to the Commission's continued implementation of the projects already began and adoption of a schedule of reports to the State concerning the progress in implementing the recommendations of the State Audit report. He agreed that there were obstacles PUC faced affecting the timelines for getting projects done and that they were outside the Commission's authority to control. He also agreed that many of the items in the report were not a surprise as they were projects already underway.

President Normandy directed staff to add a commentary from the Bay Area Water Users Association to the Commission agenda so that BAWUA's representative may address the Commission on a regular basis.

REGULAR

9. Discussion and possible action related to the Lead Free Faucet Replacement Program. (Continued from the meeting of February 8, 2000.)

Staff Recommendation: Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low-income families in San Francisco.

Moved by Commissioner Caen, seconded by Commissioner Cook, to continue Item 9 to March 14, 2000; passed (3-0) unanimously.

10. Discussion and possible action related to the proposed sewer relocation alternatives on the Department of Public Transportation Third Street Light Rail Transit Program.

Manfred Wong, Project Manager, gave a presentation regarding the details of the Third Street Light Rail Transit Program and the proposed sewer relocation alternatives. The two alternatives he presented were: Alternative A - Relocate the sewer facilities to both sides of the street (\$19 million); and Alternative B - Keep the existing sewer facilities in place (\$49 million projected operating cost based on 40 years track life). Mr. Wong commented that the Public Transportation Commission wanted to pursue Alternative B due to shortage of funds. Mr. Wong stated that staff recommended Alternative A as it has the least project life costs and is less troublesome to operate and maintain.

Commissioner Cook commented that there were problems in the past of sewer backflow in the Evans Street and Sunnysdale Street area. He was concerned that placing Muni railway tracks on top of the sewer system (Alternative B) will increase the risk of sewer backflow and flooding.

Mr. Mullane noted that staff intended to meet with Michael Burns, Department of Public Transportation's General Manager and the Mayor's staff to discuss Muni's funding needs for the project and PUC's responsibility to maintain the City's sewer system.

Vince Harris, Deputy General Manager, Public Transportation Commission Construction Division, urged the Commission not to adopt staff's recommendation to proceed with Alternative A. He commented that Muni Railway currently have \$7 million to fund the project and they will fall short of \$12 million if the Commission were to proceed with Alternative A.

President Normandy asked the General Counsel's recommendation on proceeding with the item. Vicki Clayton, Utilities General Counsel, suggested amending the resolution to clarify that the Commission's preferred sewer relocation alternative is Alternative A, urge the San Francisco Transportation Authority to adopt that alternative, and instruct staff to work with the Public Transportation Department to

come up with a favorable resolution regarding funding. President Normandy concurred with the counsel's suggested amendments to the resolution. Mr. Harris indicated that he would accept that with the understanding that PUC staff would continue to work with the Municipal Railway in resolving the issues that they raised.

President Normandy suggested adding a whereas clause to indicate the concerns of the Commission to look at short term vs. long term solutions and address those concerns upfront to prevent problems that may occur in the future that could disrupt Muni service or affect the City's sewer system.

President Normandy directed staff to report to the Commission concerning the results of the discussion with the Department of Public Transportation.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution as amended; (3-0) unanimously.

Resolution No. 00-0062: Expressing the Public Utilities Commission's preference for the Dual Sewer System (Alternative A) to be the preferred sewer relocation alternative on the Third Street Light Rail Transit Program; urging the Transportation Authority to adopt Alternative A; directing staff to work with the Public Transportation Department to come up with a favorable resolution regarding funding for the project; and authorizing the General Manager to execute a Memorandum of Understanding with the Department of Public Transportation on the necessary sewer relocation work.

11. Report regarding effectiveness of work performed under the San Joaquin Pipeline Emergency inspection and repair contract.

Bonnie Lamont Stevens gave a presentation using electronic slides regarding the emergency contract for potential leak detection and repair of the San Joaquin Pipeline No. 3. Ms. Stevens reported about the inspection process that they conducted using ultrasound technology to detect potential leak points. She noted that during the first phase, they found that out of eight initial points investigated, seven had significant corrosion and required patches. The relative repair cost to fix a leak detected by the process was \$16,000 per hole while the cost to repair leaks on an emergency is about \$40,000 a hole.

President Normandy commended staff for the foresight.

LEASES AND PERMITS

12. Discussion and possible action related to a lease with H and N Fish Company. (Continued from the meeting of February 8, 2000.)

Staff Recommendation: Authorize a lease with H and N Fish Company for approximately 14,899 square feet of SFPUC land located on a portion of Parcel 18, Block 4343 on Jerrold Street, San Francisco to be utilized for parking, warehouse staging and loading purposes, at an annual rental rate of \$24,136.38.

Moved by Commissioner Caen, seconded by Commissioner Cook, to continue Item 12 to the call of the Chair; (3-0) unanimously.

13. Discussion and possible action related to a lease with Koret Foundation. (Continued from the meeting of October 12, 1999.)

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0063: Authorize a twenty (20) year lease with Koret Foundation for approximately 41,817 square feet of San Francisco Public Utilities Commission land located on San Antonio Pipeline and Baden Merced Pipeline Right of Way, Parcel 22 in South San Francisco, to be utilized as a parking lot, ingress and egress and landscaping at an annual rental rate of \$13,211.

14. Discussion and possible action related to a permit with the Department of Public Works.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0064: Authorize a Revocable Permit with the Department of Public Works, for use of Public Utilities Commission land located at Cesar Chavez Street and Evans Avenue in San Francisco to be used for employee parking and storage of bulk landscape materials.

15. Discussion and possible action related to the right-of-way ground lease with San Antonio Center Associates.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0065: Authorize the General Manager of Public Utilities to execute a Consent of Lessor pursuant to a right-of-way ground lease with San Antonio Center Associates consenting assignment of interest to San Antonio Center, LLC.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt Items 16 and 17 together; passed (3-0) unanimously.

16. Resolution No. 00-0066: Authorize advertisement for bids for Hetchy Hetchy Water and Power Contract HH-888, Moccasin Sewer Replacement.
17. Resolution No. 00-0067: Authorize advertisement for bids for Clean Water Program Contract No. CW-240, Bertita Street/Russia Avenue/South Hill Boulevard/Stillings Avenue Sewer Replacement.

Award

18. Discussion and possible action related to Clean Water Program Contract No. CW-147, Various Pump Stations Improvements Contract 2.

Staff Recommendation: Award Clean Water Program Contract No. CW-147, "Various Pump Stations Improvements Contract 2," in the amount of \$582,000.00 to the sole responsive and responsible bidder, Schram Construction.

Moved by Commissioner Caen, seconded by Commissioner Cook, to continue Item 18 to the next regularly scheduled meeting of March 28, 2000; (3-0) unanimously.

19. Discussion and possible action related to San Francisco Water Department Contract No. WD-2262.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0068: Award San Francisco Water Department Contract No. WD-2262, "6 and 8-Inch Ductile Iron Main Installation in Cesar Chavez Street from Noe Street to Mission Street, Shotwell Street to Harrison Street; and Day Street from Sanchez Street to Dolores Street"; in the amount of \$1,556,065 to the lowest responsive and responsible bidder, Shaw Pipeline, Inc.

Amend

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2216.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0069: Approve Contract Modification No. 1 to San Francisco Water Department Contract WD-2216, "8-Inch Ductile Iron Main Installation in 24th Street between Potrero Avenue and Vermont Street, and in 25th Street between Mission Street and Harrison Street," increasing the contract amount by \$64,815.00 and extending contract term to an additional 30 calendar days.

Close

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt Items No. 21, and 22 together; passed (3-0) unanimously.

21. Resolution No. 00-0070: Accept work performed for Clean Water Program Contract No. CW-112, "6th/8th/43rd Avenues Sewer Replacement" as complete; approve Contract Modification No. 2 (Final) in the credit amount of \$5,360.00 for a new total of \$491,682.00, and approve final payment in the amount of \$74,233.00 to the contractor, Harty Pipeline, Inc.

22. Resolution No. 00-0071: Accept work performed for Clean Water Program Contract No. CW-129, "Broadway/Bryant/Sonoma Streets Sewer Replacement" as complete; approve Contract Modification No. 1 (Final) in the credit amount of \$36,597.00 for a new total of \$204,585.00; and approve final payment in the amount of \$9,425.00 to the contractor, Uniacke Construction, Inc.

23. Discussion and possible action related to six (6) San Francisco Water Department water main replacement contracts.

Everett Hintze, Acting Utilities Engineering Bureau Manager, noted that the contractor for the above projects, A. Ruiz Construction Co., failed to achieve the minority subcontracting goals. He stated that the Human Rights Commission (HRC) had negotiated a settlement agreement obligating the contractor to pay \$10,000 as penalty for not meeting their goals for these contracts and \$10,000 for a Hetch Hetchy contract scheduled to close out in March 2000.

Commissioner Cook suggested that the policy should be more stringent to make sure that prime contractors meet contracting goals. Mr. Mullane noted that in the settlement agreement with HRC the contractor agreed that if he failed to meet the subcontracting goals in the future, he would be declared an irresponsible bidder and would be disqualified from bidding for two years. Virginia Harmon, HRC Compliance Officer, noted that also as part of the settlement, the contractor was required to appear in today's meeting to address the deficiencies in the contract.

Commissioner Cook indicated that de-certification should also be considered. He stated that the contractor was receiving discounts as a certified contractor but he had not been complying with subcontracting requirements.

Mr. Hintze pointed out that our contracts provide a statement giving the contractor certain amount of days to submit forms such as certified payroll forms, and final HRC forms after the project is substantially complete.

President Normandy requested the General Manager of Public Utilities to work with the Utilities Engineering Bureau and HRC to start a system of monitoring contractors' track record of compliance with subcontracting goals, and factor that information in awarding contracts. He directed staff to return to the Commission with a report within 60 days.

Antonio Ruiz, President of A. Ruiz Construction, Co., stated that their non-compliance was not intended to disregard the contract requirements. They intended to perform and have documentation that they tried to work with their subcontractors.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0072: Accept work performed for six San Francisco Water Department water main replacement contracts: WD-2158, WD-2176, WD-2204, WD-2209, WD-2222 and WD-2232 as complete; and approve final payments to the Contractor, A. Ruiz Construction Co. & Assoc., Inc.

CLOSED SESSION

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Present: President Normandy, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Jr., Utilities General Counsel Vicki Clayton, Assistant General Manager for Finance & Administration William Berry, and Acting Commission Secretary Lorna Navarro.

No action was taken on Item 24.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: IFPTE, Local 21 v. PUC et.al., Superior Court No. 301-722.

Moved by Commissioner Caen, seconded by Commissioner Cook to continue Item 25 to the next regularly scheduled meeting on March 14, 2000; passed (3-0) unanimously.

26. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)B:

Anticipated Litigation: Facts and circumstances arising from changes to panel composition and rating procedures used in the Program Management contract award process.

Present: President Normandy, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Jr., Utilities General Counsel Vicki Clayton, Assistant General Manager for Finance & Administration William Berry, Acting Commission Secretary Lorna Navarro, Utilities Engineering Bureau Manager Michael Quan, UEB Capital Management Program Manager Everett Hintze, UEB Project Manager Manfred Wong, and HRC Contract Compliance Officer Virginia Harmon.

No action was taken on Item 26.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(1)(B):

Anticipated Litigation: Regarding engineering consultant contract claim.

Present: President Normandy, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Jr., Utilities General Counsel Vicki Clayton, Assistant General Manager for Finance & Administration William Berry, Acting Commission Secretary Lorna Navarro, Utilities Engineering Bureau Manager Michael Quan, UEB Project Manager Fonda Davidis, and Deputy City Attorney George Wong.

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the following resolution; passed (3-0) unanimously.

Resolution No. 00-0073: Authorize an amendment to the professional service agreement with Westin Engineering, Inc. to provide engineering support services during the construction phase of the SCADA project, increasing the amount of compensation for detailed design services by \$54,000 and extending the term by eighteen months to December 31, 2001.

28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: ABC Auto Parts v. CCSF, Superior Court No. 993-560.

Present: President Normandy, Commissioner Cook, Commissioner Caen, PUC General Manager John Mullane, Jr., Utilities General Counsel Vicki Clayton, and Acting Commission Secretary Lorna Navarro.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt the following resolution for Item 28; passed (3-0) unanimously.

Resolution No. 00-0074: Recommend that the Board of Supervisors approve a settlement in the claim of ABC Auto Parts, v. CCSF, Superior Court No. 993-560.

29. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
 Administrative Secretary, Public Utilities Commission

Present: President Normandy, Commissioner Cook, Commissioner Caen, PUC
 General Manager John Mullane, Jr., Bureau of Personnel & Training
 Manager Dorothy Bowman, and Utilities General Counsel Vicki Clayton.

No action was taken on Item 29.

30. Public comments on matters to be discussed in Closed Session.

There was none.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Caen, seconded by Commissioner Cook, to assert the attorney-client privilege; passed (3-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:25 P.M. to discuss the above listed Closed Session items.

At 4: 59 P.M., the Commission reconvened in open session.

32. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (3-0) unanimously.

Thereupon, the meeting was adjourned: 5:00 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

*February 29, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place*

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COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

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Public comment will be taken on each item.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b):
(Clayton)

Anticipated Litigation: As Defendant – Several potential proposers on the Program Management Request for Proposal have threatened litigation.

5. Public comments on matters to be discussed in Closed Session.
6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

SPECIAL ORDER OF BUSINESS

9. Discussion and possible action related to Program Management Services Contract No. CS-524. (Wong)

Staff Recommendation: Deny the separate protests submitted by Montgomery Watson Americas and Parsons Infrastructure; ratify the Program Management Consultant procurement process that has occurred to date; and authorize the continuation of the Program Management Consultant procurement process by scheduling Commission interviews of the two highest ranked proposers.

10. Discussion and possible action related to PUC-owned Niles and Sunol Dams in Alameda Creek. (Carlin)

Staff Recommendation: Direct staff to continue participating in negotiations to address the restoration of an anadromous run of steelhead to Alameda Creek, and to undertake any needed studies to develop a project for implementation in the year 2001 for the removal or modification of Niles and Sunol Dams.

11. Report regarding options for seeking voter approval of the issuance of additional revenue bonds for the Clean Water Enterprise Capital Improvement Program. (Berry)

Staff Recommendation: For discussion only.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor

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MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO DOCUMENTS DEPT

Willie L. Brown, Jr.
MAYOR

JUN 22 2000
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SPECIAL MEETING

February 29, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

For information contact the Commission Secretary at 554-3165.
Minutes are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

1. Call to order: 1:42 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen
3. Public comments on matters that were not on today's agenda.

There was none.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b):

Anticipated Litigation: As Defendant – Several potential proposers on the Program Management Request for Proposal have threatened litigation.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Asst. General Manager for Finance & Administration William Berry, Acting Commission Secretary Lorna Navarro, Utilities Engineering Bureau Manager Michael Quan, UEB Capital Improvement Program Manager Everett Hintze, HRC Compliance Officer Virginia Harmon, and UEB Project Manager Manfred Wong.

No action was taken.

5. Public comments on matters to be discussed in Closed Session.

President Normandy announced that the Commission would hear public comments regarding the program management contract during the deliberations in open session. Speakers who have requested to speak on Item 5 deferred their comments until Item 9 is discussed.

6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; (4-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:46 P.M. to 2:58 P.M.

At 2:59 P.M., the Commission reconvened in open session.

7. Announcement following Closed Session.

President Normandy announced that there was no action taken during the Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during the Closed Session; (4-0) unanimously.

SPECIAL ORDER OF BUSINESS

9. Discussion and possible action related to Program Management Services Contract No. CS-524.

President Normandy invited public comments.

Public Comments:

Dwayne Lee, Vice President of Parsons Infrastructure, urged the Commission not to adopt staff's recommendation. He stated that the evaluation process as implemented deviated from the procedures established in the Request for Proposal (RFP). The selection panel did not provide separate evaluation score sheets for each proposer relative to minimum qualifications, site visit and interview presentation.

Jeff Kishel of Montgomery Watson commented about their firm's record in achieving big savings for their clients and their intention to do the same for this contract. He urged that the Commission provide their firm the opportunity to present their ideas.

Ruth Hobbs from O'Brien Kreitzberg, representing H2O Partnership, commented that the selection process was clear and well thought-out. Each of the four proposers had the same information and opportunity to present their qualifications to the Commission. She urged the Commission to accept staff's recommendation.

Mike Saade of Bechtel Corporation, representing San Francisco Water Alliance, expressed support in adopting staff's recommendation.

John Mullane, General Manager of Public Utilities, outlined the issues raised in the protests filed before the Public Utilities Commission. The areas of concern evolved around the number of panelists; qualifications of the panelists; time provided to the panelists to review the proposals; scores given by the panelists on the proposals; and selection procedures used by the panelists.

Mr. Mullane noted that the issues raised by Montgomery Watson were: (1) that the last minute changes to the panel had substantial impact on the panel's evaluation; (2) that the last member who joined the panel was not approved by the Commission; (3) and that the selection panel did not reflect the qualifications criteria established by the Commission. They were also concerned that the panel may not have conformed to the selection process required by the RFP.

Mr. Mullane stated that Parsons Infrastructure protested that: (1) the selection panel did not make site visits required by RFP; (2) the selection panel lack engineering experience; (3) the panel did not evaluate the proposals according to the procedures set on the RFP; and, (4) the process was organized and controlled by HRC staff.

Mr. Mullane indicated that there were discrepancies between the instruction and approval of the Public Utilities Commission in the final composition of the panel and the selection process. Mr. Mullane stated that the changes in the composition of panel took place after receipt of proposals; and, therefore no proposer was prejudiced in the preparation of their proposal. Additionally, the RFP did not specify the number of panelists, the qualification criteria for the members of the panel, nor a time parameter for the panel to review the proposals. Each participant was given the same opportunity to present to the same panel under the same conditions. Mr. Mullane pointed out that each participant was advised of various changes along the process, but no protest was filed until the rankings were made public.

Mr. Mullane clarified that when one of the panelists resigned, Anson Moran, the General Manager at the time, had limited time to appoint a substitute member and obtain approval of the Commission. Mr. Moran consulted with some members of the Commission before appointing a substitute and all parties were subsequently notified of the changes.

Mr. Mullane noted that the evaluation panel, as constituted, met the criteria established by the Commission. The panel adhered to the timeframe to review the proposals. The last individual appointed to the panel was an employee of the Public Utilities Commission and is more knowledgeable about the system than the other three members. All members of the panel stipulated that they had adequate time to review the proposals and the materials submitted by the site visit committee.

Mr. Mullane stated that the issue of whether the proposals were initially scored using score sheets became moot when the Commission by resolution invited all four proposers to participate in the interview before the Commission.

The RFP stipulated that the panel may elect to visit the sites but after some discussion, they determined that site visits are impractical both logistically and economically. A group of PUC employees made the site visits and they prepared a summary report that was provided to the panel before the interview.

Mr. Mullane emphasized that the scores of the two top ranked presenters were substantially higher than the two bottom ranked presenters.

Mr. Mullane concluded that none of the discrepancies raised require the process to be voided; and, therefore, he recommended that the Commission deny the protest, ratify the process to date, and move forward with the selection process.

President Normandy asked the Utilities General Counsel and HRC Compliance Officer of their concurrence with the report of the General Manager. Vicki Clayton, Utilities General Counsel responded positively. Virginia Harmon, HRC Compliance Officer, also responded positively.

President Normandy moved to recuse himself from voting on Item 9. He stated that he serves as a member of the Board of Directors of a non-profit organization who has a business relationship with one of the protesting firms. The organization also had engaged the engineering services of one of the firms that were not protesting. He stated that although the City Attorney advised that there is no direct conflict, he did not want any perceptions cloud issues relative to the project. Commissioner Cook seconded. The motion passed (4-0) unanimously.

President Normandy stated that he would recuse himself from any deliberations relative to program management and will still perform the function of the Chair from a parliamentary standpoint.

Commissioner Makras commented that he had reviewed the protests in detail and he concurred with the report and recommendations of staff.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (3-0) unanimously. President Normandy abstained.

Resolution No. 00-0075: Deny the separate protests submitted by Montgomery Watson Americas and Parsons Infrastructure; ratify the Program Management Consultant procurement process that has occurred to date; and authorize the continuation of the Program Management Consultant procurement process by scheduling Commission interviews of the two highest ranked proposers.

President Normandy resumed the Chair.

The Commission took the agenda out of order and discussed Item 11 first.

11. Report regarding options for seeking voter approval of the issuance of additional revenue bonds for the Clean Water Enterprise Capital Improvement Program.

William Berry, Assistant General Manager for Finance & Administration, presented three options for financing the Clean Water Program.

Commissioner Caen commented that the two reports recently issued, the State Audit Report of the Public Utilities Commission and the Facilities Reliability Study validate our needs for funding the Capital Improvement Program. She stated that November 2000 would be the most opportune time to present a large bond issue to the public.

President Normandy directed staff to take immediate actions to put a bond measure for the November 1, 2000 election, and report to the Commission at the next PUC meeting to present the pros and cons of each financing option.

Commissioner Caen was excused at 3:46 P.M.

10. Discussion and possible action related to PUC-owned Niles and Sunol Dams in Alameda Creek.

Joe Naras, Water Supply & Treatment Division Land Resources Manager, gave a presentation using electronic slides. Mr. Naras reported that a report prepared for the Alameda Creek Fisheries Restoration Workgroup recommended the removal, modification or laddering of Niles and Sunol Dam to provide fish passage in the Alameda Creek watershed. He stated that the Niles and Sunol dams are no longer needed in providing water supply to customers. He recommended that the PUC work with other water agencies to plan a course of action to maintain reliable water supply and provide beneficial conditions for species of special concern such as steelhead.

Commissioner Makras inquired about the need for a consultant to undertake a study for the removal of the dams. He stated that staff already knows what needs to be done and what needs to be determined are the cost of removing the dams and how it is going to be done in a manner sensitive to the environment. Mr. Mullane responded that we could not circumvent the study, as it is part of the EIR process. Some of the funds would be used to determine how we can best operate the water flow in the Alameda Creek, and recapture the amount of water released while taking care of steelhead.

President Normandy directed staff to recommend options on addressing the restoration of anadromous steelhead to the Alameda Creek; present the impact of these options to the environment and PUC operations, and the costs associated with each option. President Normandy suggested amending the resolution to add this direction.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution as amended; (3-0) unanimously.

Resolution No. 00-0076: Direct staff to develop appropriate recommendations related to options and costs addressing possible restoration of an anadromous run of steelhead to the Alameda Creek watershed in a manner consistent with the continued reliable supply of water to the SFPUC service area, and to undertake the necessary steps required to define a project to remove or modify Niles and Sunol Dams, and proceed with implementation of the project as soon as possible following identification of funding and appropriate environmental review.

Mr. Tony Flores, Manager of City Distribution Division, reported that a water service line blew up at Treasure Island on February 25, 2000 while a contractor was installing a water meter. The incident caused extensive flooding in the area. President Normandy commended staffs of the City Distribution Division, Water Quality Bureau and Treasure Island, who were involved in correcting the problem quickly and efficiently. He suggested that staff report any problems that may arise in the future.

Thereupon, the meeting was adjourned: 4:05 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

March 14, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Feral Pig Status Report. 7 mins. (Davis)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

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Public comment will be taken on each item.

REGULAR BUSINESS

9. Discussion and possible action regarding procedures for PUC Commission Interview on the Program Management Services Contract No. CS-524. (Wong)

Staff Recommendation: Approve and adopt the PUC Commission Interview Procedures for Program Management Services.

10. Discussion and possible action related to designating a date, time, and place for a public hearing to consider proposed rate adjustments for water and sewer services. (Berry)

Staff Recommendation: Designate Tuesday, April 25, 2000 at 1:30 p.m. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, as the date, time, and place for a public hearing to consider proposed rate adjustments for water and sewer services provided by the Water Enterprise and the Clean Water Enterprise.

11. Discussion and possible action related to the Lead Free Faucet Replacement Program. (Continued from the meeting of February 22, 2000.) (Knox)

Staff Recommendation: Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low-income families in San Francisco.

12. Discussion and possible action related to the repair of San Joaquin Pipeline No. 3 in the Hetch Hetchy aqueduct. (Klein)

Staff Recommendation: Approve the revised amount of \$4,210,000 to detect and repair corrosion in San Joaquin Pipeline No. 3 in the Hetch Hetchy aqueduct; and request the Mayor and the Board of Supervisors to approve the expenditure of funds.

CONSTRUCTION CONTRACTS

Advertise

13. Discussion and possible action related to Hetch Hetchy Water and Power Contract No. WP-16. (Quan)

Staff Recommendation: Reject bids received for Hetch Hetchy Water and Power Contract No. WP-16, Cherry Power Tunnel Rock Trap Rehabilitation; and authorize readvertisement for bids for Contract No. WP-16R.

Award

14. Discussion and possible action related to Clean Water Program Contract No. CW-0005R. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-0005R, Southeast Community Facility (SECF) HVAC Control Retrofit and Upgrade, in the amount of \$219,500 to C&C Building Automation Co.

Close

15. Discussion and possible action related to Water Department Contract No. WD-2226. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to close out Water Department Contract No. WD-2226, 6- and 8-Inch Ductile Iron Main Installation in Gough Street between Golden Gate Avenue and Haight Street; and authorize settlement of \$20,000 to Golden Pacific Construction, Inc. due to termination of the contract for the convenience of the City.

CLOSED SESSION

16. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

17. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:
- Negotiator: Alice Villagomez
Organization: Miscellaneous Employees
Issues: All
18. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Ross)
- Existing Litigation: IFPTE, Local 21 v. PUC et.al., Superior Court No. 301-722.
19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b): (Clayton)
- Anticipated Litigation: As defendant – One proposer on the Program Management Request for Proposal had threatened litigation.
20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(3)(c): (Clayton/Margolis)
- Anticipated Litigation: As defendant
Regarding Casmalia Disposal Site Cleanup Proceeding.
21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)
- Existing Litigation: Yee v. CCSF
Raymond and Elise M. Kelly v. CCSF
Superior Court No. 980-740 (Consolidated Cases)
22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Administrative Code Section 67.8: (Clayton/Klein)
- Anticipated Litigation: As Plaintiff
CCSF v. Hetch Hetchy Mountain Spring Water Company
(Trademark Application Serial No. 75-519694)

23. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
 Administrative Secretary, Public Utilities Commission

24. Public comments on matters to be discussed in Closed Session.
25. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

26. Announcement following Closed Session.
27. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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Public Utilities Commission
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San Francisco, CA 94103

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MINUTES

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT.

REGULAR MEETING

JUN 22 2000

SAN FRANCISCO
PUBLIC LIBRARY

March 14, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok (Ash) Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Lorna T. Navarro
ACTING SECRETARY

For information contact the Commission Secretary at 554-3165.
Minutes are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

1. Call to order: 1:37 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Commissioner Ashok (Ash) Bhatt

President Normandy welcomed Commissioner Ashok Bhatt, the newly appointed member of the Public Utilities Commission.

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Caen, to approve the Minutes of the Special Meeting of January 20, 2000; passed (5-0) unanimously.

4. Communications

There was no action taken.

5. Introduction of Old/Ongoing Business by Commissioners

President Normandy reiterated his request to clear all items on the Old/Ongoing Business List within the next 60 days.

President Normandy requested staff to fast track the negotiations with the City College of San Francisco regarding the Balboa Reservoir.

6. Introduction of New Business by Commissioners

President Normandy announced that effective today, there will be no more task forces within the Commission. He asked individual Commissioners to take the point on certain issues. Commissioner Caen will lead the personnel search process for the positions of PUC General Manager and the naming of the new Commission Secretary. Vice President Makras will take the point on real estate matters as well as the development of the Hetchy Hetchy business plan. Commissioner Cook will continue to be involved in the selection of a Program Manager and matters concerning shift schedules and overtime issues. President Normandy invited Commissioner Bhatt to take on issues that might be of interest to him.

7. Report of the General Manager

Mr. Mullane welcomed Commissioner Bhatt to the Public Utilities Commission.

Mr. Mullane requested removing agenda Item 11 from the agenda at the request of the Customer Service Bureau.

Mr. Mullane handed out to the Commission copies of a report entitled "Measuring Up", prepared by the Clean Water Action, Clean Water Fund, CALPIRG Charitable Trust, and Campaign for Safe and Affordable Drinking Water. The document was a result of a survey conducted to evaluate how Consumer Confidence Reports measure up to new federal water quality disclosure rules. The organization examined 113 Consumer Confidence Reports (CCR) submitted by large utility agencies. PUC was as one of the six utilities whose Consumer Confidence Reports were graded with an "A" for fully complying with federal requirements. The PUC ranked third overall for systems in compliance with all critical CCR elements; first, as far as public vs. private utilities; and, first, relative to large utilities in the system.

President Normandy directed staff to make sure that the Communications group impart this information to our stakeholders.

a. Feral Pig Status Report.

Joseph Naras, Land Resources Manager, gave a report using overhead slides regarding the status of the Feral Pig Program for the Alameda Creek watershed lands. Mr. Naras reported that the program had reduced the pig population in the watershed. The contractor was effective and professional in performing their services. He recommended continuing the program to keep the pig population from increasing. Staff would be monitoring the pig population and water quality to assess the improvement to PUC land and water resources. In response to President Normandy's question on the possibility of totally eliminating pigs in the watershed, Mr. Naras stated that it is not attainable, as adjacent properties do not have the same control program that PUC does.

8. Public Comments

None.

REGULAR BUSINESS

9. Discussion and possible action regarding procedures for PUC Commission Interview on the Program Management Services Contract No. CS-524.

President Normandy requested the Commission to recuse him from any discussions regarding the Program Management Services Contract. He requested Vice President Makras to chair the meeting for Item 9.

Manfred Wong, Utilities Engineering Bureau, discussed the proposed Commission interview procedures for the Program Management Consultant Contract. Staff's proposal was structure the interview procedure so that the two final proposers will be interviewed on the same day. The order of interview will not be determined until the day of the interview. The first proposer, Proposer A, will be allocated 15 minutes to prepare and 45 minutes to make their presentation. There will be 45 minutes for

question and answer with the Commission. After which there will be a 15-minute recess before Proposer B's interview. At completion of both interviews, there will be a 15-minute recess after which the Commission will deliberate on the selection in open session. The selection will take place immediately after deliberation. The Commission interview is scheduled for April 4, 2000 at 1:30 p.m. in City Hall, Room 408.

Vice President Makras invited comments from the public regarding staff's recommendation on the interview procedures. The two final proposers were present and elected not to address the Commission.

Commissioner Caen asked staff if there were any concerns regarding the interview procedures. Manfred Wong, Project Manager, stated that there was discussion regarding Proposer B having the advantage to prepare for the Question and Answer (Q&A) with the Commission. To address the fairness issue, Commissioner Caen suggested changing the procedures to have the two proposers present during the presentations, make them come back for question and answer, with each one taking turns answering questions. Vice President Makras, Commissioner Cook and Commissioner Bhatt concurred.

Commissioner Caen suggested giving each proposer the opportunity to come back and give them 15 minutes if they have anything to add to their presentation. Commissioner Cook disagreed with having the proposers come back as it would start a debate between the two proposers. Commissioner Makras concurred that a rebuttal and a summary from each proposer after the question and answer portion would be helpful to the Commission in being able to compare the two teams. Commissioner Cook pointed out that a rebuttal would get into a situation where one proposer would be critical of the other proposer and that could go back and forth. He stated that he was supportive of the proposers providing a summary of their positions but not a rebuttal. The Commission reached a consensus to allow a five-minute summary by each team after Question and Answer. Vice President Makras emphasized that the teams should understand that an upbeat positive presentation is expected from them and that they would be judged for their strengths rather than exploiting the opposition's weaknesses.

Commissioner Caen requested that staff provide the Commission with suggested interview questions including those questions used by the evaluation panel one week before the interview. She suggested adding it on procedure No. 1.

Commissioner Cook noted that at the last task force meeting, it was discussed that each Commissioner would have a set of questions to ask each bidder other than those asked by the evaluation panel. The General Manager will submit to the Commission a short list of questions, which are more in tune to exploring the effectiveness of the bidders that may not have been covered by the evaluation panel. Vice President Makras concurred with using structured questions but he suggested that the Commission retain the latitude to ask follow up questions with more depth than what the selection panel had done, without time limit.

Vice President Makras recommended deleting the reference to 15-minute preparation under Procedure 3a. The Chair will allow a few minutes for the proposers to prepare for their presentations.

Vice President Makras suggested amending Procedure No. 4 to reflect the format of PUC agendas, to read: "Discussion and possible action by the Commission on the selection of the consultant team will take place in open session after the deliberation. If a vote is conducted, it may be either simultaneous or sequential."

Vice President Makras again invited comments from both proposers on the interview procedures, as amended. Both teams elected not to comment.

Commissioner Cook suggested extracting the reference to the "Program Management Consultant Task Force" from the agenda item.

Vice President Makras summarized the interview procedures agreed upon by the Commission. Item Nos. 3a and 3d were deleted. Item 4 was changed to add that discussion and possible action will take place. The Commission will select which team should make their presentation first and the order will be determined on the day of the interview. Each team will have a 45-minute presentation. There will be structured questions and the Commission will have the ability to ask follow up questions. Questions & answers will flip flop between Team A and Team B. After Q&A, the Commission will go into deliberation and will have full latitude to act immediately.

Vice President Makras asked the Utilities General Counsel, the Human Rights Commission Compliance Officer and the two teams if they found the procedures acceptable. Vicki Clayton, Utilities General Counsel responded positively. Virginia Harmon, Human Rights Commission Compliance Officer, stated that HRC supports the procedures. Ruth Hobbs, representing H2O Partnership, commented that the solution was a fair and reasonable way to proceed with the selection. Mike Saade of Bechtel Infrastructure, representing SF Water Alliance, stated that it was fine.

Commissioner Caen requested staff to send to the Commission a copy of the questions asked by the evaluation panel.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt item 9; passed (4-0) unanimously.

Resolution No. 00-0077: Approve and adopt the PUC Commission Interview Procedures for Program Management Services.

President Normandy assumed the chair.

10. Discussion and possible action related to designating a date, time, and place for a public hearing to consider proposed rate adjustments for water and sewer services.

Moved by Vice President Makras, seconded by Commissioner Cook to adopt Item 10; passed (5-0) unanimously.

Resolution No. 00-0078: Designate Tuesday, April 25, 2000 at 1:30 p.m. in City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, as the date, time, and place for a public hearing to consider proposed rate adjustments for water and sewer services provided by the Water Enterprise and the Clean Water Enterprise.

11. Discussion and possible action related to the Lead Free Faucet Replacement Program. (Continued from the meeting of February 22, 2000.)

Staff Recommendation:	Authorize staff to request funding from non-profit organizations to fund a plumber who will install lead free faucets and water efficient toilets and fixtures for 700 homes of low-income families in San Francisco.
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Item 11 was removed from the agenda.

12. Discussion and possible action related to the repair of San Joaquin Pipeline No. 3 in the Hetch Hetchy aqueduct.

Moved by Commissioner Cook, seconded by Commissioner Makras to adopt Item 12; passed (5-0) unanimously.

Resolution No. 00-0079: Approve the revised amount of \$4,210,000 to detect and repair corrosion in San Joaquin Pipeline No. 3 in the Hetch Hetchy aqueduct; and request the Mayor and the Board of Supervisors to approve the expenditure of funds.

CONSTRUCTION CONTRACTS

Advertise

13. Discussion and possible action related to Hetch Hetchy Water and Power Contract No. WP-16.

Laurie Park, Acting Manager, Hetch Hetchy Water & Power, stated that staff was requesting the Commission to reject the bids and rebid the contract. She stated that due to incomplete communications with HRC, the MBE/WBE goals calculated for the project was inappropriate for the type of work and it resulted to a vast range of bids received ranging from \$400,000 to \$2.2 million.

Commissioner Caen inquired why was the engineer's estimate the same with the original \$600,000 engineer's estimate. Ms. Park responded that that they concluded the first estimate was right based on the lowest bid of \$400,000 submitted by a credible contractor experienced with this type of work.

Vice President Makras expressed opposition to staff's recommendation. He stated that staff's presentation did not demonstrate the reason for rejecting the bids and the details regarding MBE/WBE goals. He noted that the engineer's estimate was accurate as evidenced by the three bids received within 90% of the engineer's estimate. He expressed concerns with the incentive provision included in the agenda item to pay the contractor \$3,000 for each day the contractor is ahead of schedule. He said this provision undermines the entire bid process.

Ms. Harmon of the Human Rights Commission stated that HRC supports the recommendation to reject the bids and rebid the contract. The original goals were set improperly due to incomplete communication with staff on what the project entails. The goals were originally set at 24% MBE and 7% WBE participation. HRC Staff reevaluated the goals and determined that a combined goal of 18% is appropriate given the complexity of the work.

President Normandy asked the rationale for providing incentives to a contractor for early completion when the process is being delayed by re-bidding the contract that had bona fide bidders. Commissioner Makras suggested imposing liquidated damages if a contractor is behind schedule. Lawrence Klein, Acting General Manager for Operations, indicated that there is a narrow window when work could be done and that is in the fall, when the Holm Powerhouse could be shut down. Michael Quan, Manager, Utilities Engineering Bureau, noted that a bonus clause is included in a contract if it will provide economic benefits to the City. In this case, the revenues from the power generated by the Holm Power House will more than offset the bonus payments if work is completed on time.

Commissioner Cook expressed concerns with re-bidding the contract when a contractor with extended experience in this line of work had submitted the lowest bid.

Commissioner Makras suggested that staff bring agenda items with incentive provisions for discussion as a policy issue. He added that if the contract is emergency in nature, there is a procedure in place to get the work done on an emergency basis without having to pay bonuses to contractors.

President Normandy suggested that if this contract is put out for rebid, the new contract should be rewritten without reference to the bonus clause. He emphasized that if staff desires to include the bonus clause in the new contract, the item should be presented to the Commission as a policy decision. Commissioner Caen stated that she would move the item based on this direction.

Commissioner Makras requested staff to submit a memorandum within two weeks advising the Commission of staff's decision whether to proceed with re-bidding the contract or let the contract on an emergency basis.

Moved by Commissioner Caen, seconded by Commissioner Bhatt to adopt Item 13; passed (4-1). Commissioner Cook voted no.

Resolution No. 00-0080: Reject bids received for Hetch Hetchy Water and Power Contract No. WP-16, Cherry Power Tunnel Rock Trap Rehabilitation; and authorize readvertisement for bids for Contract No. WP-16R.

Award

14. Discussion and possible action related to Clean Water Program Contract No. CW-0005R.

Moved by Commissioner Cook, seconded by Commissioner Caen to adopt Item 14; passed (5-0) unanimously.

Resolution No. 00-0081: Award Clean Water Program Contract No. CW-0005R, Southeast Community Facility (SECF) HVAC Control Retrofit and Upgrade, in the amount of \$219,500 to C&C Building Automation Co.

Close

15. Discussion and possible action related to Water Department Contract No. WD-2226.

Commissioner Makras inquired whether the contractor was pleased with the proposed settlement. Mr. Quan stated that the contractor was amenable with the proposed settlement. Mr. Quan gave his assurance that the settlement was fair and that there is sufficient documentation to prevent additional claims to the City.

Moved by Commissioner Caen, seconded by Commissioner Cook to adopt Item 15; passed (5-0) unanimously.

Resolution No. 00-0082: Authorize the Utilities Engineering Bureau Manager to close out Water Department Contract No. WD-2226, 6- and 8-Inch Ductile Iron Main Installation in Gough Street between Golden Gate Avenue and Haight Street; and authorize settlement of \$20,000 to Golden Pacific Construction, Inc. due to termination of the contract for the convenience of the City.

CLOSED SESSION

16. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, Utilities General Counsel Vicki Clayton, Deputy City Attorney John Malamut, Deputy City Attorney Charles Sullivan, members of the Bernal consultant team Bruce Lymburn, Dean Macris, Bob Thompson, and Barry Scherman.

No action was taken.

17. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator: Alice Villagomez
Organization: Miscellaneous Employees
Issues: All

Present : President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, Utilities General Counsel Vicki Clayton, Acting Assistant General Manager for Operations Larry Klein, Acting General Manager for Hetch Hetchy Water & Power Laurie Park, Bureau of Personnel & Training Manager Dorothy Bowman, Employee Relations Director Geoff Rothman, Deputy City Attorney Linda Ross, Water Supply Division Manager Cheryl Davis, and Bureau of Commercial Land Management Manager Gary Dowd.

No action was taken.

18. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: IFPTE, Local 21 v. PUC et.al., Superior Court No. 301-722.

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, Utilities General Counsel Vicki Clayton, and Deputy City Attorney Linda Ross.

No action was taken.

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b):

Anticipated Litigation: As defendant – One proposer on the Program Management Request for Proposal had threatened litigation.

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, Utilities General Counsel Vicki Clayton, Utilities Engineering Bureau Manager Michael Quan, and Utilities Engineering Bureau Project Manager Manfred Wong.

No action was taken.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(3)(c):

Anticipated Litigation: As defendant
Regarding Casmalia Disposal Site Cleanup Proceeding.

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, Utilities General Counsel Vicki Clayton, Bureau of System Planning Environment & Compliance Manager Steve Medbery.

Moved by Commissioner Makras, seconded by Commissioner Bhatt to adopt a settlement for Item 20; passed (5-0) unanimously.

Resolution No 00-0083: Recommend that the Board of Supervisors agree to toll the statute of limitation governing any claim by the United States EPA or the Casmalia Resources Site Steering Committee against the City and County of San Francisco.

21. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Yee v. CCSF
Raymond and Elise M. Kelly v. CCSF
Superior Court No. 980-740 (Consolidated Cases)

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, and Utilities General Counsel Vicki Clayton.

Moved by Commissioner Makras, seconded by Commissioner Bhatt to approve Item 21; passed (5-0) unanimously.

Resolution No 00-0084: Recommend settlement in the claim of Raymond O's. Kelly and Elise M. Kelley, in the consolidated actions entitled Yee v. City and County of San Francisco, and consolidated actions, San Francisco Superior Court No. 980-740.

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff
CCSF v. Hetch Hetchy Mountain Spring Water Company
(Trademark Application Serial No. 75-519694)

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Acting Commission Secretary Lorna Navarro, and Utilities General Counsel Vicki Clayton, and Acting Assistant Manager for Hetch Hetchy Water & Power Lawrence Klein.

Moved by Commissioner Makras, seconded by Commissioner Cook to approve a settlement for Item 22; passed (5-0) unanimously.

Resolution No 00-0085: Authorize the City Attorney to negotiate a settlement on specified terms.

23. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

Present: President Normandy, Commissioner Caen, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John Mullane, Bureau of Personnel & Training Manager Dorothy Bowman, and Utilities General Counsel Vicki Clayton.

The Commission voted unanimously to appoint Jill R. Thompson as Administrative Secretary, Public Utilities Commission.

Resolution No 00-0086: Appoint Jill R. Thompson as Administrative Secretary, Public Utilities Commission.

24. Public comments on matters to be discussed in Closed Session.

There was none.

25. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 3:15 P.M. to 5:25 P.M. to discuss the above listed Closed Session Item:

At 5:26 P.M., the Commission reconvened in open session.

26. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

27. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussion during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:27 P.M.

Lorna T. Navarro
Acting Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

March 28, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DOCUMENTS DEPT.

MAR 27 2000

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Hetch Hetchy Water & Power
Clean Water Program
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Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Presentation regarding the digesters at the Southeast Water Pollution Control Plant.
7 mins. (Loiacono)
 - b. Art Contest. 7 mins. (Knox)
8. BAWUA General Manager's Report
 - a. Issues and Objectives (Jensen)
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

REGULAR BUSINESS

10. Discussion and possible action related to Clean Water Program Contract No. CW-274E, 4th Street Emergency Sewer Replacement. (Quan)

Staff Recommendation: Ratify the declaration of emergency made by the President of the Public Utilities Commission; and request the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 4th Street between Bryant Street and Brannan Street.

11. Discussion and possible action related to Professional Services Selection Procedures. (Quan)

Staff Recommendation: For discussion only.

12. Discussion and possible action related to employee health benefits for Hetch Hetchy employees in Moccasin. (Park)

Staff Recommendation: Authorize communication with the Board of Supervisors, urging that body to direct the Health Service System to provide all employees of the City and County of San Francisco, regardless of the location of said employees' work areas, equal access to the same health plans.

CONSTRUCTION CONTRACTS

Advertise

13. Discussion and possible action related to the San Francisco Water Department Contract No. WD-2316. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2316, SVWTP Improvement Project – Phase 1.

14. Discussion and possible action related to Clean Water Program Contract No. CW-256. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to advertise for bids for Clean Water Program Contract No. CW-256, California Street and 3rd Avenue Sewer Replacement.

15. Discussion and possible action related to Clean Water Program Contract No. CW-260. (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau to advertise for bids for Clean Water Program Contract No. CW-260, Clean, De-Root, Inspect and Seal Easement Sewers.

Award

16. Discussion and possible action related to Clean Water Program Contract CW-147. (Quan)

Staff Recommendation: Award Clean Water Program Contract CW-147, Various Pump Stations Improvements Contract 2, in the amount of \$582,000 to the sole responsive and responsible bidder, Schram Construction.

PROFESSIONAL SERVICE CONTRACTS

Advertise

17. Discussion and possible action related to the SFPUC Facilities Reliability Program Phase 3. (Medbery/Williams)

Staff Recommendation: Authorize the Manager of System Planning, Environment and Compliance to solicit proposals from professional engineering firms to provide specialized services in support of the SFPUC Facilities Reliability Program Phase 3 – Risk Assessment & Alternative Solutions.

Award

18. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project (Loiacono)

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.

CLOSED SESSION

19. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator:	Geoffrey Rothman
Organization:	Miscellaneous Employees
Issues:	All

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir Property at Phelan and Ocean Avenue
Parties Negotiating: CCSF – Dowd/Kubick
San Francisco City College
Under Negotiation: Terms

22. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Adaptec Properties, Parcels No. 086-42-015 and 086-28-016 in
the City of Milpitas, Santa Clara County.
Parties Negotiating: CCSF – Dowd/dela Cruz
Grantor: Adaptec
Under Negotiation: Price and Terms

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: William and Beth Freeman v. CCSF, San Mateo Superior Court
No. 407545.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: Jane B. Silver v. CCSF, Superior Court No. 996-166,
Consolidated with Superior Court No. 980-740.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)

Existing Litigation: Robert McCrady v. CCSF, Claim No. 00-00504.

26. Public comments on matters to be discussed in Closed Session.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed above
as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

28. Announcement following Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT

JUN 22 2000

REGULAR MEETING

SAN FRANCISCO
PUBLIC LIBRARY

March 28, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

1. Call to order: 1:40 P.M.

2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

Commissioner Bhatt arrived at 1:42 pm.

President Normandy announced the appointment of Jill R. Thompson, as the new Commission Secretary.

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Caen, to adopt the Minutes of the Regular Meeting of January 25, 2000; passed (5-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

President Normandy complimented staff for taking quick action to clear outstanding items off the Old/Ongoing Business list.

Commissioner Caen complimented William Berry, Assistant General Manager for Finance & Administration, for the completion of an organizational study of the Finance Bureau. The report mentioned was completed by KMPG and copies were previously submitted to the Commission. Commissioner Caen requested that staff provide the Commission with the findings of the benchmark survey to see how PUC compare with other agencies.

6. Introduction of New Business by Commissioners

Commissioner Caen referred to a report submitted by staff concerning dioxin in the San Francisco wastewater system. She asked how dioxin discharges could be curtailed. Steve Medbery, Manager of the Bureau of System Planning Environment and Compliance, stated that dioxin comes from direct deposition from the air and storm water runoff. He stated that SFPUC had been treating wastewater in San Francisco and the treatment partially removes dioxin in storm water runoff. Other agencies with separate storm waters are not required to treat their wastewater.

7. Report of the General Manager

John P. Mullane, Jr., General Manager of Public Utilities, requested continuance of Item 7a and Item 11 to the next regularly scheduled Commission meeting on April 11, 2000.

Mr. Mullane reported that President Normandy signed a declaration of emergency for sewer repair on 4th Street between Bryant and Brannan. The President also declared an emergency related to the land movement in the Half Moon Bay Meter Road. Mr. Mullane noted that PUC staff had done an excellent job in responding to these emergencies.

- a. Presentation regarding the digesters at the Southeast Water Pollution Control Plant.

Item 7a was continued to the meeting of April 11, 2000.

- b. Art Contest.

Kimberly Knox, Water Conservation Administrator, reported that the Customer Service Bureau sponsored an Art Contest in commemoration of the 70th Anniversary of the San Francisco Water Department. The artworks were displayed in Room 400. Ms. Knox announced the names of the winners. The Commission presented a plaque to each winner who was present.

8. BAWUA General Manager's Report

- a. Issues and Objectives

Arthur M. Jensen, General Manager of the Bay Area Water Users Association (BAWUA), gave a presentation using electronic slides concerning the objectives and expectations of BAWUA.

Mr. Jensen commented that BAWUA was concerned about possible disruption of water supply in major earthquake due to aging facilities. He stated that major facilities are needed to be replaced or repaired. BAWUA was also concerned about PUC's capacity to fund and perform capital improvement projects. He suggested proceeding promptly with critical projects to safeguard the system.

He urged that the PUC cooperate with BAWUA on resolving financial issues. He noted that BAWUA had completed a review of alternative means to finance projects and would present it to the Commission shortly. He stated that BAWUA is also working with PUC staff to develop a better method of allocating water supplies and he would provide that to the Commission.

Mr. Jensen urged the Commission to continue with cost based pricing. He stated that BAWUA's contract with the City expires in 2009 and cost based prices expires at that time.

9. Public comments on matters that were not on today's agenda.

There was none.

REGULAR

10. Discussion and possible action related to Clean Water Program Contract No. CW-274E, 4th Street Emergency Sewer Replacement.

Moved by Commissioner Caen, seconded by President Normandy, to adopt the following resolution; (5-0) unanimously.

Resolution No. 00-0087: Ratify the declaration of emergency made by the President of the Public Utilities Commission; and request the Board of Supervisors to approve the expenditure of funds for the emergency work to replace the structurally inadequate sewer on 4th Street between Bryant Street and Brannan Street.

11. Discussion and possible action related to Professional Services Selection Procedures.

Staff Recommendation: For discussion only.

Item 11 was continued to the next regularly scheduled meeting on April 11, 2000.

Item 12 was deferred until after Closed Session.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Cook, seconded by President Normandy, to adopt Items 13, 14, 15 collectively. Commissioner Caen requested to take Item 13 separately. Commissioner Cook and President Normandy withdrew their motion.

13. Discussion and possible action related to the San Francisco Water Department Contract No. WD-2316.

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2316, SWWTP Improvement Project – Phase 1.

Commissioner Caen expressed concerns regarding the 4% goal established for local women business enterprise, which she thought was low. Virginia Harmon, Human Rights Commission Compliance Officer, explained that goals were established based on current availability of contractors to provide the scope of work required on a particular project. The 4% goal was what the market place could substantiate for the contract. She stated that there was some special equipment to be purchased and there are no MBE/WBE contractors available to provide the equipment.

Johnson Lim, Project Manager, advised that out of the \$34 million cost estimate for the project, \$12 million was for the purchase of equipment.

Commissioner Makras commented that it seemed that MBE/WBE participation goals drop when there is a large contract. He was curious to know why participation would change due to the size of the contract. Ms. Harmon responded that goals are calculated in a standard manner based on what MBE/WBE/LBE's could perform.

Michael Quan, Utilities Engineering Bureau Manager, explained that minority contractors could not secure proper security performance bonds for large contracts such as this one.

Commissioner Makras suggested exploring the possibility of maximizing the MBE/WBE participation. He stated that if staff could demonstrate that there are no minority contractors available to do the work he would make the motion to reduce the goals.

Public Comment:

Mr. Arthur Jensen, General Manager of the Bay Area Water Users Association, suggested that staff differentiate the availability of minority contractors for construction contracts with the type of work required under the contract.

President Normandy directed staff to return to the Commission with more specifics concerning capability of minority contractors and address ways to encourage participation by minority contractors in large contracts.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to continue Item 13 to the next regularly scheduled Commission meeting on April 11, 2000; (5-0) unanimously.

Items 14 and 15 were taken collectively.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt Items 14 and 15; passed (5-0) unanimously.

14. Resolution No. 00-0088: Authorize the Utilities Engineering Bureau Manager to advertise for bids for Clean Water Program Contract No. CW-256, California Street and 3rd Avenue Sewer Replacement.
15. Resolution No. 00-0089: Authorize the Utilities Engineering Bureau to advertise for bids for Clean Water Program Contract No. CW-260, Clean, De-Root, Inspect and Seal Easement Sewers.

Award

16. Discussion and possible action related to Clean Water Program Contract CW-147.

Mr. Quan reported that two bids were received for this contract. The low bidder, J. A. Cuevas, withdrew their bid due to clerical error, leaving Schram Construction as the only responsive and responsible bidder.

Responding to President Normandy's inquiry about Schram's decertification, Panetta Scott, HRC Contract Compliance Officer, stated that Schram's status had no impact on the contract. The contract had to be awarded to Schram, as they were the sole responsive and responsible bidder.

Commissioner Makras asked about the reason behind identifying which office of Schram Construction was being used for this contract.

Richard Schram, President of Schram Construction Inc., urged the Commission to award the contract to Schram. He stated that the decertification issue and the office in Santa Rosa do not have any bearing in awarding the contract to his company.

Commissioner Makras concurred that the office location of a contractor should not be emphasized, as it is not the usual way to bring an agenda item to the Commission.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (5-0) unanimously.

Resolution No. 00-0090: Award Clean Water Program Contract CW-147, Various Pump Stations Improvements Contract 2, in the amount of \$582,000 to the sole responsive and responsible bidder, Schram Construction.

PROFESSIONAL SERVICE CONTRACTS

Advertise

17. Discussion and possible action related to the SFPUC Facilities Reliability Program Phase 3.

Staff Recommendation: Authorize the Manager of System Planning, Environment and Compliance to solicit proposals from professional engineering firms to provide specialized services in support of the SFPUC Facilities Reliability Program Phase 3 – Risk Assessment & Alternative Solutions.

Mary Williams, Project Manager, from the Bureau of System Planning & Regulatory Compliance, gave a slide presentation regarding Phase 3 of the Facilities Reliability Project. Ms. Williams indicated that the information developed from this contract would help the Commission make sound capital investments. She stated that the reliability information developed in Phase 2 was not adequate.

Commissioner Cook moved, President Normandy seconded to adopt staff's recommendation.

Commissioner Makras expressed reservations in spending \$5 million for another study when Phase 2 already provided ample information. He suggested waiting for the Program Manager to look at the overall capital improvement program. Ms. Williams noted that a condition assessment of PUC facilities was not performed in Phase 2.

Commissioner Caen concurred with Commissioner Makras' comments.

Commissioner Cook and President Normandy withdrew their motion.

President Normandy pointed out that the solicitation of proposals for Phase 3 dovetails to the timeframe for the selection and contract negotiation process for the Program Manager. He concurred in postponing the item until the time it could be addressed within the context of the Program Management contract.

Commissioner Makras recommended denying staff's recommendation.

Mr. Jensen asked whether this item could be resubmitted to the Commission if there is a significant delay in implementing the program management contract, to which President Normandy responded positively.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to deny staff's recommendation; (5-0) unanimously.

Resolution No.00-0091: Deny staff's recommendation.

Award

18. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project

Staff Recommendation:	Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.
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Jonathan Loiacono of the Bureau of Water Pollution Control discussed the elements of the project.

Commissioner Makras indicated that a 2-year contract for technical support and public outreach is long. He suggested that staff speed up the project.

Commissioner Caen asked about the total timeline to complete the project. Mr. Loiacono responded that the completion of the project depends on when bonds are passed by the electorate. He said bonds passed in November 2000 would cover the design cost. Design work can start by middle of 2001. Bonds passed in November 2002, will cover construction cost and then construction can start in 2003 and completed in 2006. Commissioner commented that a nine-month period for community action is a long time. She suggested that staff start working on the EIR process in tandem with community outreach activities.

Commissioner Cook commented about the slow process of seeking a site for the digester facility.

Mr. Mullane suggested continuance of this item to the next Commission meeting scheduled on April 11, 2000, at which date staff will make a presentation regarding bond options.

President Normandy directed staff to proceed quickly with the primary objective of building the new facility by year 2004. He directed staff to start with the EIR

process taking into account all alternative sites, identify the costs, and return to the Commission with suggestions for funding the project.

Moved by Commissioner Caen, seconded by Commissioner Cook, to continue Item 18 to the next regularly scheduled meeting on April 11, 2000; (5-0) unanimously.

Commissioner Bhatt was excused at 3:20 P.M.

CLOSED SESSION

The Commission took the Closed Session agenda out of order.

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property:	Balboa Reservoir Property at Phelan and Ocean Avenue
Parties Negotiating:	CCSF – Dowd/Kubick San Francisco City College
Under Negotiation:	Terms

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Assistant General Manager for Finance & Administration William Berry, and Bureau of Commercial Land Management Manager Gary Dowd.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0092: Directing staff to pursue discussions with San Francisco City College regarding the potential realignment of the North Basin of Balboa Reservoir located at Ocean Avenue and Phelan Avenue.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation:	William and Beth Freeman v. CCSF, San Mateo Superior Court No. 407545.
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Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, and Deputy City Attorneys Pat Mahoney and Joshua Milstein.

No action was taken.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Jane B. Silver v. CCSF, Superior Court No. 996-166, Consolidated with Superior Court No. 980-740.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0093: Recommending a settlement in the case of Jane B. Silver v. CCSF, Superior Court No. 99-166, Consolidated with Superior Court No. 980-740.

25. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Robert McCrady v. CCSF, Claim No. 00-00504.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0094: Recommending a settlement in the case of Robert McCrady v. CCSF, Claim No. 00-00504.

22. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Adaptec Properties, Parcels No. 086-42-015 and 086-28-016 in the City of Milpitas, Santa Clara County.
Parties Negotiating: CCSF – Dowd/dela Cruz
Grantor: Adaptec

Under Negotiation: Price and Terms

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Bureau of Commercial Land Management Manager Gary Dowd, and Utilities Engineering Bureau Project Manager Phil dela Cruz.

No action was taken on Item 22.

19. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator: Geoffrey Rothman
Organization: Miscellaneous Employees
Issues: All

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Bureau of Commercial Land Management Manager Gary Dowd, Acting Assistant General Manager for Operations Lawrence Klein, Hetch Hetchy Water & Power Acting General Manager Laurie Park, Hetch Hetchy Operations Superintendent Alexis Halstead, Deputy City Attorney Linda Ross, Bureau of Personnel Manager Dorothy Bowman, and Geoff Rothman, Department of Human Resources Employee Relations Director.

No action was taken on Item 19.

Commissioner Caen was excused at 5:20 P.M.

20. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Present were President Normandy, Vice President Makras, Commissioner Cook, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorneys Charles Sullivan, Bob Thompson, and John Malamut, Emilio Cruz from the Mayor's Office of

Economic Development, and Bernal Property Consultants Bruce Lymburn, Barry Scherman, and Dean Macris.

No action was taken on Item 20.

26. Public comments on matters to be discussed in Closed Session.

There was none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Caen, seconded by Commissioner Bhatt, to assert the attorney-client privilege; passed (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:20 P.M. to discuss the above listed Closed Session items:

At 5:45 P.M., the Commission reconvened in open session.

28. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussions during Closed Session; passed (3-0) unanimously.

The Commission resumed to the discussion of the remaining item on the Regular Agenda.

REGULAR

12. Discussion and possible action related to employee health benefits for Hetch Hetchy employees in Moccasin.

Moved by Commissioner Normandy, seconded by Commissioner Makras, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0095: Authorize communication with the Board of Supervisors, urging that body to direct the Health Service System to provide all employees of the City and County of San Francisco, regardless of the location of said employees' work areas, equal access to the same health plans.

Thereupon, the meeting was adjourned:

5:50 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

DOCUMENTS DEPT

SPECIAL MEETING

APR - 3 2000

SAN FRANCISCO
PUBLIC LIBRARY

April 4, 2000

12:00 Noon

City Hall, Room 408

1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 408, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

CLOSED SESSION

4. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

5. Public comments on matters to be discussed in Closed Session.
6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.

SPECIAL ORDER OF BUSINESS - 1:30 P.M.

9. Consultant interviews, discussion and possible action related to the award of the PUC Program Management Services Contract CS-524.

Staff Recommendation: None

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

#41
Main Public Library
Government Information Center
100 Larkin Street, 5th Floor



CITY AND COUNTY OF SAN FRANCISCO
PUBLIC UTILITIES COMMISSION

WILLIE L. BROWN, JR., MAYOR
JOHN P. MULLANE JR., GENERAL MANAGER

E. DENNIS NORMANDY
PRESIDENT
VICTOR G. MAKRAS
VICE PRESIDENT
FRANK L. COOK
ANN MOLLER CAEN
ASHOK KUMAR BHATT

SAN FRANCISCO
WATER DEPARTMENT

HETCH HETCHY
WATER AND POWER

SAN FRANCISCO
CLEAN WATER PROGRAM

NOTICE OF MEETING CANCELLATION

The Public Utilities Commission of the City and County of San Francisco hereby gives Notice of Cancellation of its Special Meeting of April 4, 2000.

A handwritten signature in cursive script, reading "Jill R. Thompson".

Jill R. Thompson
Secretary

DOCUMENTS DEPT.

APR - 4 2000

SAN FRANCISCO
PUBLIC LIBRARY

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

DOCUMENTS DEPT.

*April 7, 2000
1:30 P.M.*

APR - 6 2000

SAN FRANCISCO
PUBLIC LIBRARY

*City Hall, Room 400
1 Dr. Carlton B. Goodlett Place*

COMMISSIONERS

E. Dennis Normandy, President
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BUREAUS

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System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

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San Francisco Lobbyist Ordinance

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ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

SPECIAL ORDER OF BUSINESS - 1:30 P.M.

4. Consultant interviews, discussion and possible action related to the award of the PUC Program Management Services Contract CS-524.

Staff Recommendation: None

ADJOURNMENT

MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

April 7, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

MINUTES

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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John P. Mullane, Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

1. Call to order: 1:45 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - Commissioner Ann Moller Caen
3. Public comments on matters that were not on today's agenda.

There was none.

SPECIAL ORDER OF BUSINESS

President Normandy requested to be recused from the process as he did in previous proceedings concerning Program Management. Vice President Makras chaired the meeting.

4. Consultant interviews, discussion and possible action related to the award of the PUC Program Management Services Contract CS-524.

Vice President Makras recognized the point persons who would represent each team and answer questions from the Commission: John Kluesener, Program Manager for the San Francisco Water Alliance; and Ruth Hobson for H₂O Partnership.

Public Comments:

John Lange, who managed the Capital Improvement Program for the City of Portland, Oregon, commented about the excellent job Sverdrup Civil had done in providing program management services for Portland. Mr. Lange stated that Sverdrup completed their work on schedule and under budget, and provided high quality results.

Allen Prince, Managing Director with Bank of America, stated that they have the highest regard for Bechtel's integrity and commitment in facilitation and completion of projects.

John Parsons, a San Francisco resident, submitted a speaker card, but he chose not to speak at the time.

Mary Bursyck, representing the Board of Directors of the San Francisco Food Bank, commented about Bechtel's involvement to the community and commitment to make San Francisco a better place for its residents.

Troy Reese of Troy's Contracting, Inc., thanked the Commission for allowing minority firms such as his to participate in this project.

Barry Pierce of Bik Wah International, spoke in support of awarding the contract to H₂O Alliance.

Harry Croft, Managing Director of Northwest Water, spoke in favor of awarding the contract to Bechtel Group, who did a first class job for his firm in project management.

Vice President Makras tossed a coin to determine which of the teams will make the presentation first. H₂O Partnership won.

The first team, H₂O Partnership, gave a 45-minute presentation, followed by San Francisco Water Alliance with the same time limit. After the presentations, the Chair opened the question and answer session. After the Commission exhausted their questions, each team was given opportunity to present their summaries.

H₂O Partnership

Allen Krusi, President of O'Brien Kreitzberg and Managing Partner of H₂O Partnership, introduced the firms comprising the partnership. They were O'Brien Kreitzberg, CH2M Hill, and EPC Consultants. He stated that the partnership brings extensive local water and wastewater experience with the Public Utilities Commission and with other stakeholders in the program.

Ruth Hobbs, Program Manager, talked about program cost savings through efficient design process, the right team, the right tools, and an integrated program control system. She stated that an efficient program management would save PUC one to three percent of overall program value.

Dave Richardson stated that H₂O Partnership could help bring the costs down by 8% using best of class design standards through proven tools and processes. He stated that the biggest opportunity for cost savings is in the preliminary engineering phase of the program using value engineering techniques program-wide. He talked about control design process and how to save money on operating and maintenance costs.

Michelle Pla discussed the different financing options available to PUC. She proposed to set up a \$2 billion state bond called the "California Water Systems Reliability Bond". She stated that borrowing money through a revolving loan program would save \$780 million in financing costs compared to revenue bonds. She also proposed to finance the program by continuing the existing "Pay as You Go" program, the Clean Water Revolving Loan Program, and through revenue bonds.

John Filbert talked about their development and training program that would bring PUC staffs' capabilities to a point where they can perform all the work and be weaned from the program management consultant in a timely manner.

Darf Butler discussed the proposed diversity program. Methods they proposed to use are pre-apprentice training program, MBE/WBE/LBE Resource Center to assist small

business in placement services, teaming arrangements, commercial issues and future opportunities, professional development programs, and monitoring, tracking and reporting system. They are also proposing a Diversity Advisory Committee to track the progress and success of the diversity program.

Ruth Hobbs addressed their firm's commitment to an integrated communications plan.

San Francisco Water Alliance

Riley Bechtel, Chairman and CEO of the Bechtel Group, introduced the senior executives of the San Francisco Water Alliance Joint Venture comprising of Bechtel Group, Inc., The Jefferson Company, and Sverdrup Civil, Inc.

John Kluesener, Program Manager, discussed the management approach they were taking to deliver the project; i.e., defining requirements, building the organization and tools necessary to accomplish those goals, and executing priorities. Mr. Kluesener stated that they were proposing to purchase all equipment required to do major emergency repairs, and get major contractors on board to do the repairs today before a major catastrophe occurred. He talked about savings in the design during the engineering phase, insurance cost, having a good solid labor agreement, and contract packaging and approaches. He stated that Bechtel having the best safety record in the United States could drive down the cost of insurance by 20 to 40%. He stated that their firm's total program approach could bring in 6% to 13% savings for PUC.

Ann Saha, Management Information Manager, addressed the information management and training program.

Leoman Abrams, Manager of Stakeholder Integration, talked about internships and apprentice programs to get people in the building and construction trades to expand the capability of their firms.

James Jefferson, President of The Jefferson Company, commented that their joint venture guarantees performance and guarantees to meet the schedule.

Question and Answer

As laid out in the beginning of the meeting, each team took turns in responding to questions.

Commissioner Cook asked how the teams plan to bring staff's capability to a competent level and how they are going to measure success of their training efforts.

Mr. Kluesener (Alliance) responded that they would assess PUC staff and their staff to determine their capabilities and aspirations, and tailor a development program and

in-house training programs using that skill base. With regard to how the success of the program is measured, Jessica Romm stated that each employee would have self-assessment checklist. Individual based training will be tailored based on specific requirements, interests and needs of the organization, the teams and individuals, and use that information for succession planning.

Ruth Hobbs (H₂O) responded that they would first determine what positions are needed to be filled, how many are needed to run the ongoing capital program and the kind of training required. John Filbert, Training Manager, stated that they are also planning annual reviews of PUC and Alliance staff to monitor staff development efforts.

Commissioner Bhatt asked how cost savings could be realized.

Ms. Hobbs (H₂O) stated that they would constantly monitor the program so that none of the projects falls behind schedule. Dave Richardson talked about savings in system-wide value engineering up front.

Mr. Kluesener (Alliance) proposed to put an ongoing agenda item at each meeting to talk about the progress of the program. He stated that savings would be realized through owner-controlled insurance program, in labor agreements, and reducing the scope in some areas.

Vice President Makras asked the teams for their office locations and the number of workforce.

Ms. Hobbs stated that O'Brien Kreitzberg's corporate headquarters is in San Francisco and has several project offices in San Francisco. It has 250 employees in San Francisco. Dave Richardson stated that CH2MHill has 1,100 in Northern California, and 200-person offices in Oakland, Sacramento, and Redding and 50-person office in San Jose. Jim Warren stated that EPC Consultants has a main office in San Francisco and offices in San Jose and Oakland. They have 50-55 employees in Northern California.

Mr. Riley Bechtel stated that the joint venture has 2,100 people in San Francisco, out of which 1,500 are Bechtel employees. Mr. Jefferson said that The Jefferson Company's headquarters is in San Francisco and has 40 employees. Mr. Brasser stated that Sverdrup's headquarters is in St. Louis, Missouri. There are 700 employees in Northern and Southern California. Sverdrup had been in San Francisco since 1948.

Vice President Makras asked how the teams would open participation to more MBE/WBE firms over a period of time. Mr. Jefferson (Alliance) stated that their diversity program provides firms with opportunities to grow out of the program and compete without the advantage of being a certified enterprise. Ms. Hobbs (H₂O) stated they would be increasing the MBE/WBE participation goals by 10%.

Regarding the communications program, Ms. Hobbs stated that H₂O would report to the Commission about the progress of the program on a regular basis at every Commission meeting and provide written status reports on individual projects. They would also have the program available on the Internet on real time information. Ann Saha said that the Alliance's goal was to keep the Commission informed at all times.

Vice President Makras asked what was the real savings in reducing plant footprints. Mr. Kluesener (Alliance) explained that the savings is mainly due to technology difference such as coming up with a technology that would require less space and more efficient for the program. Mr. Richardson (H₂O) talked about their firm's experience with using smaller footprints and innovative technologies in their projects that resulted to savings.

Vice President Makras inquired how savings in operating and maintenance costs could be realized. Mr. Kluesener (Alliance) stated that savings in operating costs could be realized in non-labor type costs such as chemical costs, and in training staff to take on different roles. Mr. Dave Richardson (H₂O) stated that the key areas where savings could be realized are in chemicals and energy usage, automation, and cross training of staff.

Vice President Makras asked about the contract price proposed by the teams. Ms. Hobbs (H₂O) stated that their discounted rate is \$39.6 million for the 4-year period. She said 10% of that was for the diversity program and 10% for the staff development program. Mr. Ed Richardson (Alliance) stated that their rates are government audited and are similar to H₂O's rates. The cost of the program manager is about 4% of total installed cost of the job and 96% is the cost of putting new processes and facilities on the ground.

Vice President Makras asked the teams to describe how they would handle reimbursements.

Ms. Hobbs (H₂O) responded that they get mark up on reimbursements to cover administrative costs and it could be as low as zero to 7-1/2%. They do not apply profit to reimbursements. Mr. Richardson (Alliance) stated that they do not intend to mark up purchase of computers and services with profit margin.

In response to Commissioner Makras' question, Ms. Hobbs (H₂O) stated that they were proposing a profit based strictly on dollars provided. Mr. Richardson (Alliance) was proposing a based on the percentage of their overall reimbursement and performance fee based on specific savings.

Vice President Makras asked HRC's representative and the Utilities General Counsel to comment regarding the process that took place. Virginia Harmon, Human Rights Commission Compliance Officer, commented in support of the process that took place and did not have concerns at that time. Vicki Clayton, Utilities General Counsel, stated that she believed that the process had been appropriate and fair.

Commissioner Cook moved to authorize the General Manager of Public Utilities to negotiate with the San Francisco Water Alliance, and execute a contract if negotiations are successful; and if not, staff is directed to return to the Commission to seek approval to negotiate with the second ranked firm. Vice President Makras seconded for purpose of discussion.

Vice President Makras stated that price was important to him knowing both firms are equally qualified. Commissioner Cook stated that the price also concerned him but we have to pay the cost if we are buying a Cadillac firm. Vice President Makras suggested amending the motion to authorize staff to negotiate with San Francisco Alliance, and direct staff to return to the Commission for final approval of the negotiated contract. Commissioner Cook agreed with the suggested amendment. John Mullane, General Manager of Public Utilities, suggested setting a date when staff will return to the Commission. Commissioner Cook stated that he preferred staff to report at the second Commission meeting on April 25, 2000. Michael Quan, Utilities Engineering Bureau Manager, stated that it would be difficult to meet that date since the City Attorney's Office was still working on the terms and conditions of the contract. He suggested scheduling a special meeting at the end of April or beginning of May 2000.

Commissioner Cook and Vice President Makras withdrew their motion for clarification purposes.

Commissioner Cook moved to authorize staff to negotiate with the San Francisco Water Alliance for contract rates, terms and conditions; direct staff to return to the Commission at the first meeting in May or sooner to present the negotiated contract; and if negotiations are unsuccessful, authorize staff to negotiate with H₂O Partnership. Vice President Makras seconded.

Commissioner Normandy commented from the floor that the Commission should vote in accordance with the provisions of the Request for Proposal (RFP) that was to select one bidder, direct staff to proceed with negotiations with that bidder, and if negotiations with that bidder fail, negotiate with the second bidder.

Ms. Clayton stated that the motion on the table was consistent with the RFP.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (3-0) unanimously.

Resolution No. 00-0096: Rank San Francisco Water Alliance as number one team and H₂O Partnership as number 2; authorize staff to negotiate contract rates, terms and conditions with San Francisco Water Alliance; instruct staff to return no later than May 9, 2000 SFPUC meeting for Commission review and possible approval of the negotiated contract, or any other appropriate action in the Commission's discretion including but not limited to rejecting the

contract negotiated with the San Francisco Water Alliance and instructing staff to renegotiate the contract with the San Francisco Water Alliance, or to renegotiate instead with the H₂O Partnership, or rejecting all proposals.

Thereupon, the meeting was adjourned: 5:47 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 11, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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John P. Mullane, Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

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Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order

2. Roll Call

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

CLOSED SESSION

3. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

4. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator:	Geoff Rothman
Organization:	Miscellaneous Employees
Issues:	All

5. Public comments on matters to be discussed in Closed Session.
6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

7. Announcement following Closed Session.
8. Motion regarding whether to disclose the discussions during Closed Session.
9. Approval of Minutes
10. Communications
11. Introduction of Old/Ongoing Business by Commissioners
12. Introduction of New Business by Commissioners
13. Report of the General Manager
 - a. CMUA Award (Knox)
 - b. Discussion on infrastructure funding issues.
14. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

REGULAR BUSINESS

15. Discussion and possible action related to the SFPUC Housing Policy. (Dowd)

Staff Recommendation: Modify the SFPUC Housing Policy as it relates to properties classified as "non-essential" to the core mission of water supply, water treatment, and/or watershed protection; and establish new rental and utility cost structures for said housing.

16. Discussion and possible action related to Professional Services Selection Procedures. (Continued from the meeting of March 28, 2000). (Quan)

Staff Recommendation: For discussion only.

17. Discussion and possible action related to Hetch Hetchy sale of power products and services. (Park)

Staff Recommendation: Direct the General Manager to undertake necessary steps and activities to increase Hetch Hetchy sales to retail power customers.

LEASES AND PERMITS

18. Discussion and possible action related to a portion of Parcel 57A (adjacent to 1155 Junipero Serra) of San Francisco lands under the jurisdiction of the PUC. (Continued from the meeting of January 26, 1999.) (Dowd)

Staff Recommendation: Authorize a permit with Mahikari of America, San Francisco DOJO, for use of a portion of Parcel 57A of San Francisco lands for the purpose of landscaping, vehicular and pedestrian cross over to adjoining land and building for an annual use fee of \$9,630 per year.

19. Discussion and possible action related to portions of Parcels 189 and 190 of Bay Division Pipeline Nos. 3 and 4 right-of-way.

Staff Recommendation: Declare portions of Parcels 189 and 190 of Bay Division Pipeline Nos. 3 and 4 right-of-way located between Whisman Road and Tyrella Avenue, in Mountain View as surplus property; and authorize the Director of Property to advertise the property for sale, hold a public auction, and prepare and submit a legislation to the Board of Supervisors to accommodate the sale .

CONSTRUCTION CONTRACTS

Advertise

20. Discussion and possible action related to the San Francisco Water Department Contract No. WD-2316. (Continued from the meeting of March 28, 2000.) (Quan)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2316, SVWTP Improvement Project – Phase 1.

21. Discussion and possible action related to San Francisco Water Department WD-2322. (Quan)

Staff Recommendation: Approve the final plans and specifications for WD-2322, Key Motorized Valves Phase I, and authorize the Utilities Engineering Bureau Manager to advertise for bids.

22. Discussion and possible action related to Hetch Hetchy Contract No. HH-886. (Quan)

Staff Recommendation: Approve the final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for HH-886, Lining Moccasin Grizzly Creek.

PROFESSIONAL SERVICE CONTRACTS

Advertise

23. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project. (Continued from the meeting of March 28, 2000. Proposed for continuance to April 25, 2000). (Loiacono)

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.

CLOSED SESSION

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Clayton)

Existing Litigation: City Wide Taxi, 98 W 6054-1

25. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

26. Public comments on matters to be discussed in Closed Session.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

28. Announcement following Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

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Public Utilities Commission
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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 11, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.
Minutes are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

1. Call to order: 1:30 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - Commissioner Ann Moller Caen

CLOSED SESSION

3. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorneys Charles Sullivan and John Malamut, and Bernal Project Consultant Team Member Barry Scherman.

No action was taken on Item 3.

4. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator: Geoff Rothman
Organization: Miscellaneous Employees
Issues: All

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Representatives from the Department of Human Resources Geoff Rothman and Emily Prescott, Deputy City Attorney Linda Ross, Assistant General Manager for Operations Lawrence T. Klein, Hetch Hetchy Water & Power Acting General Manager Laurie Park, HHWP Operations Manager Alexis Halstead, Water Supply & Treatment Division Manager Cheryl Davis, Bureau of Commercial Land Management Director Gary Dowd, and Bureau of Personnel & Training Manager Dorothy Bowman.

No action was taken on Item 4.

5. Public comments on matters to be discussed in Closed Session.

There was none.

6. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; (4-0) unanimously.

The Public Utilities Commission went into Closed Session at 1:35 P.M. to discuss above listed matters.

Following the Closed Session, the Public Utilities Commission reconvened in public session at 3:14 P.M.

7. Announcement following Closed Session.

President Normandy announced that no action was taken during Closed Session.

8. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Makras, not to disclose the discussion during Closed Session; (4-0) unanimously.

9. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the Regular Meeting of March 14, 2000; (4-0) unanimously.

10. Communications

There was none.

11. Introduction of Old/Ongoing Business by Commissioners

Commissioner Makras stated that Item No. 9, *Request to Provide a List of Sewer Upgrade Plans*, could be dropped from the Old/Ongoing Business List. Staff submitted a memo on March 29, 2000 responding to that matter.

With respect to Item 1CC, *Agenda Item to Establish a Policy for Discontinuing Unfilled New Positions*, Commissioner Makras stated that he would like to schedule this as an action item.

President Normandy polled the Commissioners on how they would like staff to respond to the items on the Old/Ongoing List. Commissioner Makras expressed his

opinion that the request should be handled in the manner specified by the requestor, whether it is in the form of a memo or agenda item. The Commissioners concurred with Commissioner Makras.

12. Introduction of New Business by Commissioners

There was none.

13. Report of the General Manager

John Mullane noted that BAWUA's report was not in today's agenda. BAWUA advised that they did not have anything to report today. The Commission engaged in discussions concerning a regular schedule for BAWUA's report. The Commission agreed to schedule BAWUA every second meeting of the month.

Art Jensen, General Manager of Bay Area Water Users Association, agreed to the schedule.

a. CMUA Award

Kimberly Knox, Water Conservation Administrator, reported that the California Municipal Utilities Association awarded the *Year 2000 Resource Efficiency Award for Best Management – Large Utility* to SFPUC for achievement in water conservation thru the Toilet for \$10 Program. The Toilet for \$10 Program saved 235 million gallons each year and saved ratepayers \$666,000 per year. Molly Kung, Water Conservation Senior Clerk, presented the award to the Commission.

b. Discussion on infrastructure funding issues.

Michael Carlin, Water Resource and Planning Manager, reported that he met with lobbyists in Washington D.C. to look into the possibility of obtaining funds from the Federal and State governments for PUC's infrastructure projects. Mr. Carlin noted that the issues they discussed involved funding for Southeast solid handling facility, 3rd Street Sewer/Light Rail Tie-In Project, and water issues in the Bay Area such as ecosystem restoration, water conservation, water recycling, water supply and water quality.

Mr. Jensen commented that BAWUA was not apprised of PUC's intent to obtain regional support for PUC projects.

14. Public Comments on matters that are within the Commission's jurisdiction and are not on today's agenda.

There was none.

REGULAR BUSINESS

15. Discussion and possible action related to the SFPUC Housing Policy.

Commissioner Makras suggested amending the resolution to change the word "*non-essential*" to "*complementary*" in the first, second, third, and fourth whereas clauses. He also recommended changing the first resolved clause to read: "*Resolved, That the rental rates shall be set at Fair Market Rate per the appraisal by the San Francisco Real Estate Department (SFRE) with no adjustment for remote locations and no adjustment for any other purpose. Fair Market Value, as defined and described by the Standards Appraisal Techniques as to the "highest and best value".*" He suggested adding a fifth resolve clause to read: "*Resolved, That rental rate increases for "complementary" housing shall be phased in over a 36-month period with a one-third increase per year*".

Commissioner Makras suggested deleting "*Proposed Rents Per Month*" in Exhibit 1. He stated that any proposed rents should be substantiated with an appraisal for Fair Market Value. He requested staff to provide the Commission with fair market value information before sending it to housing occupants.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution as amended; (4-0) unanimously.

Resolution No. 00-0097: Modify the SFPUC Housing Policy as it relates to properties classified as "complementary" to the core mission of water supply, water treatment, and/or watershed protection; and establish new rental and utility cost structures for said housing.

16. Discussion and possible action related to Professional Services Selection Procedures. (Continued from the meeting of March 28, 2000).

Moved by Commissioner Bhatt, seconded by Commissioner Cook, to continue Item 16 to the next regularly scheduled Commission meeting on April 25, 2000; (4-0) unanimously.

17. Discussion and possible action related to Hetch Hetchy sale of power products and services.

Commissioner Makras expressed support in pursuing sale of power to retail customers to maximize revenues to SFPUC. He indicated that retail customers along the waterfront could be potential customers and it should be explored.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0098: Direct the General Manager to undertake necessary steps and activities to increase Hetch Hetchy sales to retail power customers.

LEASES AND PERMITS

18. Discussion and possible action related to a portion of Parcel 57A (adjacent to 1155 Junipero Serra) of San Francisco lands under the jurisdiction of the PUC. (Continued from the meeting of January 26, 1999.)

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0099: Authorize a permit with Mahikari of America, San Francisco DOJO, for use of a portion of Parcel 57A of San Francisco lands for the purpose of landscaping, vehicular and pedestrian cross over to adjoining land and building for an annual use fee of \$9,630 per year.

19. Discussion and possible action related to portions of Parcels 189 and 190 of Bay Division Pipeline Nos. 3 and 4 right-of-way.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0100: Declare portions of Parcels 189 and 190 of Bay Division Pipeline Nos. 3 and 4 right-of-way located between Whisman Road and Tyrella Avenue, in Mountain View as surplus property; and authorize the Director of Property to advertise the property for sale, hold a public auction, and prepare and submit a legislation to the Board of Supervisors to accommodate the sale.

CONSTRUCTION CONTRACTS

Advertise

20. Discussion and possible action related to the San Francisco Water Department Contract No. WD-2316. (Continued from the meeting of March 28, 2000.)

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0101: Authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2316, SWWTP Improvement Project – Phase 1.

21. Discussion and possible action related to San Francisco Water Department WD-2322.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0102: Approve the final plans and specifications for WD-2322, Key Motorized Valves Phase I, and authorize the Utilities Engineering Bureau Manager to advertise for bids.

22. Discussion and possible action related to Hetch Hetchy Contract No. HH-886.

Commissioner Makras asked why were there two categories of liquidated damages for this contract. Staff assessed liquidated damages of \$850 per day for failure to complete the work within a specified time and \$500 per day for failure to complete all punch list required to close out the contract sooner.

President Normandy commented that there were concerns regarding incentive provisions in the past and he asked whether the Commission would prefer that staff return to the Commission and present incentive options or bring the item back as a policy for Commission's approval. Commissioner Makras stated that the item does not need to come back. Commissioner Cook expressed support in staff's recommendation if the incentive is used to motivate contractor's compliance with contract requirements.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0103: Approve the final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for HH-886, Lining Moccasin Grizzly Creek.

PROFESSIONAL SERVICE CONTRACTS

Award

23. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project. (Continued from the meeting of March 28, 2000.)

Moved by Commissioner Bhatt, seconded by Commissioner Cook, to continue Item 23 to the next regularly scheduled Commission meeting on April 25, 2000; (4-0) unanimously.

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.

CLOSED SESSION

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: City Wide Taxi, 98 W 6054-1

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0104: Recommend a settlement in the case of City Wide Taxi, 98 W 6054-1.

25. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities
Administrative Secretary, Public Utilities Commission

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, and Bureau of Personnel & Training Manager Dorothy Bowman.

26. Public comments on matters to be discussed in Closed Session.

There was none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to assert the attorney-client privilege; (4-0) unanimously.

The Public Utilities Commission met in Closed Session at 3:59 P.M. to discuss above listed matters.

Following the Closed Session, the Public Utilities Commission reconvened in open session at 4:20 P.M.

28. Announcement following Closed Session.

President Normandy announced the actions taken during Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to disclose the discussions during Closed Session; (4-0) unanimously.

Thereupon, the meeting was adjourned: 4:22 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 25, 2000
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Fluoridation (DeGraca/Labonte) 7 mins.
 - b. Hetch Hetchy Transfer (Klein) 7 mins.
 - c. Program Manager Negotiation Update (Hintze) 7 mins.
8. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a. Update on Bay Area Water Users Association Symposium of April 14, 2000.
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

10. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas. (Laws)

Staff Recommendation: Adopt a Schedule of Rates and Charges to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas to be effective with meter readings made on or after July 1, 2000.

11. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Water Department for water service to suburban resale customers. (Laws)

Staff Recommendation: Adopt a revised Schedule of Rates to be charged by the San Francisco Water Department for water service to suburban resale customers.

12. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Clean Water Program for sewer service in San Francisco and adjacent suburban areas. (Laws)

Staff Recommendation: Adopt a revised Schedule of Rates and Charges to be charged by the San Francisco Clean Water Program for sewer service in San Francisco and adjacent suburban areas to be effective with meter readings made on or after July 1, 2000.

13. Discussion related to the Lake Merced Comprehensive Management Plan. (Carlin)

Staff Recommendation: For discussion only.

14. Discussion and possible action related to the San Joaquin River Agreement. (Carlin)

Staff Recommendation: Approve the San Joaquin River Agreement; direct the General Manager to transmit the agreement to the Board of Supervisors for their approval; and authorize the expenditures of \$150,000 in monitoring costs to implement the agreement.

15. Discussion and possible action related to the Half Moon Bay Meter Road hillside stabilization. (Quan)

Staff Recommendation: Ratify the declaration of emergency made by the President of the Public Utilities Commission for Half Moon Bay Meter Road hillside stabilization; approve a fund transfer in the amount of \$120,000 to this project; and request the Mayor to recommend to the Board of Supervisors approval of a supplemental appropriation for \$450,000 to fund the emergency work.

16. Discussion and possible action related to the Water Supply Master Plan. (Williams)

Staff Recommendation: Adopt the recommendations of the Water Supply Master Plan Steering Committee for implementation of the preferred water resource strategy for the SFPUC system.

17. Discussion and possible action related to Professional Services Selection Procedures. (Continued from the meeting of April 11, 2000). (Quan)

Staff Recommendation: For discussion only.

CONSTRUCTION CONTRACTS

Advertise

18. Discussion and possible action related to San Francisco Water Department Contract WD-2265. (Quan)

Staff Recommendation: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2265, 12-inch and 16-inch Ductile Iron Main Installations in Washington Street between Laguna and Jones Streets; and authorize advertisement for bids.

19. Discussion and possible action related to San Francisco Water Department Contract WD-2286. (Quan)

Staff Recommendation: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2286, 8-inch Ductile Iron Main Installation in Leavenworth Street from Broadway to Vallejo Street and from Green Street to Chestnut Street; and authorize advertisement for bids.

20. Discussion and possible action related to San Francisco Water Department Contract WD-2310. (Quan)

Staff Recommendation: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2310, 8-inch Ductile Iron Main Installation in Page Street between Franklin Street and Divisadero Street; and authorize advertisement for bids.

21. Discussion and possible action related to San Francisco Water Department Contract WD-2321. (Quan)

Staff Recommendation: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2321, Harry Tracy Water Treatment Plant and Electronic Shop Remodel; and authorize advertisement for bids.

Award

22. Discussion and possible action related to Clean Water Program Contract No. CW-205. (Quan)

Staff Recommendation: Award Clean Water Program Contract No. CW-205, 4th Avenue/5th Avenue/Paris Street Sewer Replacement, to the lowest responsive bidder, J. Flores Construction Company, Inc. for \$375,191.

Close

23. Discussion and possible action related to Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs. (Quan)

Staff Recommendation: Accept the work performed under Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs, as complete; approve contract modification in the credit amount of \$170,280.60; and authorize final payment to A. Ruiz Construction Co. the amount of \$28,900.

PROFESSIONAL SERVICE CONTRACTS

Award

24. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project. (Continued from the meeting of April 11, 2000. Proposed for continuance to May 9, 2000). (Loiacono)

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.

Amend

25. Discussion and possible action related to the agreement for legislative representation and advocacy services with Hooper, Owen, & Winburn. (Carlin)

Staff Recommendation: Amend the legislative representation and advocacy services agreement with Hooper, Owen, & Winburn; extend the agreement for one year increasing the contract amount by \$325,000 based on a yearly retainer of \$300,000 and including reimbursable travel expenses up to but not exceeding \$25,000 per calendar year.

26. Discussion and possible action related to the Sunol Valley Water Treatment Plant Phase 1 Improvements. (Quan)

Staff Recommendation: Authorize Amendment No. 2 to the professional service agreement with the Montgomery Watson/AGS/Structus Joint Venture to provide engineering services during construction for Sunol Valley Water Treatment Plant Phase 1 Improvements; increase the contract amount by \$2,010,172; and extend the agreement term by 26 months to December 31, 2002.

CLOSED SESSION

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS THE FOLLOWING MATTERS.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a): (Eigerman)

Existing Litigation:	San Mateo County Transit District v. Hertz Realty Corp., et.al., San Mateo County Superior Court No. 405-958.
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29. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions:	General Manager of Public Utilities
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30. Public comments on matters to be discussed in Closed Session.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

32. Announcement following Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

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MINUTES
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

April 25, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
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Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane, Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.
Minutes are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

1. Call to order: 1:30 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen

Excused - Commissioner Ashok Bhatt

3. Approval of Minutes

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the Minutes of the Special Meeting of February 1, 2000 and the Minutes of the Regular Meeting of February 8, 2000; (4-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

Commissioner Makras acknowledged staff's response to a public comment from Mr. Nate Ratner regarding the Bode mix issue. He stated that the memo was very detailed, well presented, and satisfactory.

President Normandy commended staff for the remarkable progress in getting the items on the List of Old/Ongoing Business completed.

Commissioner Caen remarked that the letter she received from Robert Rathbone, President of the Bay Area Water Users Association, concerning Phase III of the Facilities Reliability Study raised some good points. She thought that the Commission should revisit this issue. President Normandy concurred with Commissioner Caen noting the importance of the project.

Commissioner Caen stated that she read the minutes of the Citizens Advisory Committee Meeting on February 1, 2000 where Mr. William Berry, Assistant General Manager for PUC Finance and Administration gave a presentation to CAC. She was very impressed about the questions raised by CAC members. She also concurred with the favorable comments made by CAC members concerning the abilities of Mr. Berry.

President Normandy noted that he had directed staff to fast track the reconstitution of the CAC and that in the next 4 weeks he expected a resolution addressing issues on how the interests, responsibilities and liabilities of the CAC can best be dovetailed into the PUC organization.

6. Introduction of New Business by Commissioners

Commissioner Makras requested staff to explore the electric reliability issues in San Francisco as a whole. He suggested that staff communicate with Pacific Gas & Electric Co. for PG&E to identify the problems and recommend remedial actions to alleviate reliability problems and avoid blackouts in the future. Commissioner Caen requested that this matter be included in the Old/Ongoing Business List to keep the Commission apprised of the status of staff's meetings with PG&E.

Commissioner Makras requested staff to explore the creation of a power transmission loop to San Francisco as another way of improving electric reliability.

Commissioner Makras requested staff to look at the Airport's owner-controlled insurance program and explore the feasibility of implementing the same program at PUC.

President Normandy directed staff to report within the next 30 days on the status of infrastructures at Treasure Island under PUC's responsibility.

7. Report of the General Manager

a. Update on Fluoridation

Julie La Bonte from the PUC Water Quality Bureau gave a presentation using electronic slides concerning the implementation of system-wide fluoridation and pH adjustment.

Ms. La Bonte reported that the SFPUC has to meet a new regulatory requirement, the California Fluoridation Regulation that requires large systems in California to fluoridate their water supply provided grant funds are obtained.

Ms. La Bonte presented two alternatives to address fluoridation and pH adjustment needs. One was to build a fluoridation and pH adjustment facility in the Peninsula, which will replace the existing Polhemus flouride station. The second alternative was to build a similar facility in the East Bay at the San Antonio Pump Station.

Ms. La Bonte stated that a new facility at the San Antonio Pump Station (Alternative 2) would improve operational reliability and efficiency and provide system-wide pH adjustment capability in the East Bay. She indicated that the operating cost for this alternative is \$200,000 more. She said a capital cost savings of \$3.6 million would be realized if this alternative is selected.

Ms. La Bonte noted that grant funding was not typically provided to systems that already fluoridate their system. However, if SFPUC moves fluoridation

to the East Bay, our chances to obtain grant funding will improve, as we will be providing fluoridated water to an additional one million people.

Ms. La Bonte stated that if staff were directed to pursue with this project, they would give the same presentation to BAWUA customers to solicit their opinion.

Andrew DeGraca, Manager of Water Quality Bureau, clarified that this is an optional requirement and it is the Commission's decision whether to pursue it. If funds were not available, SFPUC is not required to comply. As far as the Bay Area Water Users Association, Mr. De Graca stated that the contract with them does not have water quality requirements. Staff will make their presentations to BAWUA agencies to get their feedback on this issue and report to the Commission.

President Normandy directed staff to proceed with the plan to make presentations to BAWUA agencies and develop an action plan later.

b. Hetch Hetchy Transfer

Lawrence T. Klein, Assistant General Manager for Operations, reported that Hetch Hetchy's fund transfer to the General Fund for FY 00-01 was \$29.8 million. It is \$10 million less than the last fiscal year.

President Normandy commended staff for their efforts in reducing the amount of transfer. He commented that SFPUC had been attempting to retain its surplus funds and use it to maintain and service SFPUC facilities. However, the department had been handcuffed in the process due to requirements beyond and above the Commission's control that calls for an annual general fund contribution to the General Fund.

c. Program Manager Negotiation Update

President Normandy requested to be recused from the program management process due to his involvement with a non-profit foundation that has dealings with the bidders involved and that he would continue to be recused until a contract is in place.

Vice President Makras chaired.

Everett Hintze, Acting Utilities Engineering Bureau Manager, gave a brief update on the program management contract negotiation process with San Francisco Water Alliance. Mr. Hintze enumerated those issues that were being negotiated: detailed scope of work; staffing and accountability; compensation; and fee structure. He stated that the MBE/WBE goals had not been addressed pending resolution on the scope of work. He indicated that the proposed rates submitted by San Francisco Water Alliance appear to

be favorable compared to some contracts negotiated previously by SFPUC and the Department of Public Works. He noted that the City Attorney's Office is still working on the terms and conditions of the contract.

Mr. Hintze stated that SFPUC and San Francisco Water Alliance have agreed that the Utilities Engineering Bureau would have management control over the total contract.

Commissioner Caen asked about the issue of compliance with the Equal Benefits Ordinance. Mr. Mullane responded that the SF Water Alliance filed the appropriate paper work with the Human Rights Commission and it is under review.

Commissioner Makras requested staff to furnish a resume of Peter Talbot of Malcolm Pirnie, an outside consultant who was hired by PUC staff to assist with the negotiation. He wanted to know Mr. Talbot's extent of experience in negotiating program management contracts.

Commissioner Makras emphasized that the negotiated contract should encompass a scope of work that clearly identifies what the Commission wants, an impressive fee, and provide fairness to both parties.

Commissioner Cook expressed that he would like to conclude the negotiation at the next Commission meeting on May 9, 2000.

President Normandy resumed the chair.

8. Bay Area Water Users Association (BAWUA) General Manager's Report

a. Update on Bay Area Water Users Association Symposium of April 14, 2000.

Arthur Jensen, General Manager, Bay Area Water Users Association (BAWUA), reported that the BAWUA agencies hold a symposium on April 14, 2000. As a result of the symposium, the members of the Bay Area Water Users Association demonstrated their willingness to work with the Public Utilities Commission to resolve outstanding issues between the two agencies.

9. Public comments on matters that were not on today's agenda.

Jack Bohan commented in opposition to installing an automatic gate at the southern end of his easement on a PUC parcel in Santa Clara County. President Normandy directed staff to report to the Commission on this matter.

Jeff Sheehy, Co-Director of Equal Benefits Advocate, commented in opposition to awarding the program management contract to Bechtel until Bechtel provides equal benefits to its employees.

REGULAR

10. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas.

William H. Laws, Bureau of Finance Rate Administrator, noted that no adjustment was recommended for retail water service for FY 00-01.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0105: Adopt a Schedule of Rates and Charges to be charged by the San Francisco Water Department for retail water service in San Francisco and suburban areas to be effective with meter readings made on or after July 1, 2000.

11. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Water Department for water service to suburban resale customers.

Mr. Laws noted that staff proposed a 4.4% increase for water service to suburban resale customers beginning with meter readings on or after July 1, 2000.

Arthur Jensen, BAWUA General Manager, commented that staff's cost calculations were in accordance with the master contract between SFPUC and BAWUA and that the proposed rate adjustment was appropriate.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0106: Adopt a revised Schedule of Rates to be charged by the San Francisco Water Department for water service to suburban resale customers.

12. Public Hearing – To consider and adopt a schedule of rates to be charged by the San Francisco Clean Water Program for sewer service in San Francisco and adjacent suburban areas.

Mr. Laws pointed out that no rate adjustment was recommended for sewer service.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0107: Adopt a revised Schedule of Rates and Charges to be

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charged by the San Francisco Clean Water Program for sewer service in San Francisco and adjacent suburban areas to be effective with meter readings made on or after July 1, 2000.

13. Discussion related to the Lake Merced Comprehensive Management Plan.

Michael Carlin answered questions raised by the Commission.

Commissioner Caen asked how much more surface water is needed to be discharged into Lake Merced. Mr. Carlin stated that 19.6 feet more were needed to be discharged. The target level discussed with the Commission was 24 to 26 feet.

Commissioner Makras asked why the recycled water project was postponed. Mr. Carlin responded that this project is Daly City's project and they have not established a schedule of completion.

Patrick Sweetland, City of Daly City's Director of Water Resource, noted that a study is ongoing to address PUC staff's concern on the importation of tertiary water to augment lake levels and concerns from the golf course on how this water could be used for landscape irrigation. Mr. Sweetland stated that they expect the results of the study to be completed within 30 to 45 days.

Commissioner Makras requested staff to report to the Commission within 30 to 60 days regarding the status of the recycled water project.

14. Discussion and possible action related to the San Joaquin River Agreement.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0108: Approve the San Joaquin River Agreement; direct the General Manager to transmit the agreement to the Board of Supervisors for their approval; and authorize the expenditures of \$150,000 in monitoring costs to implement the agreement.

15. Discussion and possible action related to the Half Moon Bay Meter Road hillside stabilization.

Commissioner Makras requested staff to submit a memo to the Commission describing the remedial measures taken when the first landslide at this site occurred. He wanted to know what went wrong with the first repair that was made.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0109: Ratify the declaration of emergency made by the President of the Public Utilities Commission for Half Moon Bay Meter Road hillside stabilization; approve a fund transfer in the amount of \$120,000 to this project; and request the Mayor to recommend to the Board of Supervisors approval of a supplemental appropriation for \$450,000 to fund the emergency work.

16. Discussion and possible action related to the Water Supply Master Plan.

Mary Williams, Project Manager, System Planning Environment & Compliance, gave an electronic slide presentation.

Ms. Williams presented the recommendations of the Water Supply Steering Committee to implement the preferred water resource strategy of the Water Supply Master Plan. They were as follows: (1) pursue acquisition of dry year supplies; (2) complete capital projects before 2008; (3) negotiate with Bay Area Water Users Association to share cost and support capital financing; (4) keep suburban customers informed; (5) develop a local projects program; and (6) report progress to SFPUC twice a year.

Public Comments:

The following individuals spoke in support of the Water Supply Master Plan and the recommendations of the Water Supply Master Plan Steering Committee: Art Jensen, Bay Area Water Users Association General Manager; Ira Ruskin, Mayor, Redwood City; James Gunther, Vice President, Alameda County Water District; Robert Guzzetta, California Water Service Company; Marilyn Mosher, City of Hayward; Rosalie M. O'Mahony, Mayor, City of Burlingame; Bern Beecham, Council Member, City of Palo Alto; Fred Fowler, Council Member, City of Sunnyvale; Eileen Larsen, Council Member, City of Foster City; and Rosemary Stasek, Mayor, City of Mountain View.

Commissioner Makras commented that the Water Supply Master Plan was the best document he had seen prepared by Montgomery Watson to date and he was impressed that the project was completed 20% under budget.

Commissioner Makras suggested adding another resolve clause to read: "Resolved, That this Commission continues to support the following water resource policies: to encourage the wise use of water resources by the City of San Francisco and SFPUC suburban customers, including conservation, water reclamation, and groundwater development; to fairly allocate water shortages among the City of San Francisco and SFPUC suburban customers; to fully recover the costs of capital improvements and water purchases; to fairly share the costs of financing capital improvements as they are implemented among the City of San Francisco and suburban customers; to aggressively preserve and protect the SFPUC water rights to the Tuolumne River

supply; and to retain full and absolute control of SFPUC water supplies, lands and capital assets.”

Moved by Commissioner Makras, seconded by President Normandy, to adopt the following resolution as amended; (4-0) unanimously.

Resolution No. 00-0110: Adopt the recommendations of the Water Supply Master Plan Steering Committee for implementation of the preferred water resource strategy for the SFPUC system.

17. Discussion related to Professional Services Selection Procedures. (Continued from the meeting of April 11, 2000).

Commissioner Makras was excused at 3:26 P.M. He returned at 3:30 P.M.

Wendy Iwata, UEB Contracts Administration Division, discussed the selection procedures for professional service contracts. Ms. Iwata noted that the Human Rights Commission works with staff on a case-by-case basis to modify the procedures to ensure that the selection process is fair and non-discriminatory.

President Normandy inquired whether staff could provide input about their experience relative to the performance of a particular contractor being considered for a project. He suggested that as standard procedure, we should include questions that will explore past experience of SFPUC staff with contractors. Ms. Virginia Harmon, HRC Contract Compliance Officer, concurred with President Normandy's comments. Commissioner Makras also concurred. He stated that staff should be encouraged to learn from history and use it to the City's advantage.

Commissioner Caen inquired why the panel members could not discuss the respective scores of the proposers. She noted that it does not utilize the panel's ability to discuss their views about the different proposers. Ms. Harmon responded that these guidelines were established to prevent potential bias situations. She said it had been HRC's experience that when the panel was permitted to discuss openly with other panel members, a potential for bias arise. She said it is preferable if comments of the panel toward a specific team are not directed to scoring and rank of firms during the selection process. Responding to Commissioner Caen's question, she said it would be acceptable for the panel to share their thoughts if the comments were not biased and discriminatory. She noted that where potential issues may come up, it would be appropriate to discuss them in advance.

Commissioner Caen requested a clarification on how discount rates are determined. Ms. Harmon responded that under the terms of the ordinance, there are various levels of discounts that apply as follows: certified local business enterprise - 5%; certified minority owned business - 10%; and certified women enterprise - 10%. With a joint venture, there are various levels of discounts that apply depending on the level of participation of certified minority and women-owned business. A joint venture

between a non-minority firm and a certified minority or women enterprise that has 35% participation of minority or women is entitled to 5%.

Commissioner Cook commented that prior experience proved that it is beneficial to limit the discussion before rating scores.

President Normandy congratulated Virginia Harmon for having been appointed as the Acting Director of the Human Rights Commission.

This item was for discussion only. No action was taken.

CONSTRUCTION CONTRACTS

Advertise

Moved by Commissioner Makras, seconded by Commissioner Cook to adopt Items 18, 19, and 20 together; passed (4-0) unanimously.

18. Resolution No. 00-0111: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2265, 12-inch and 16-inch Ductile Iron Main Installations in Washington Street between Laguna and Jones Streets; and authorize advertisement for bids.
19. Resolution No. 00-0112: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2286, 8-inch Ductile Iron Main Installation in Leavenworth Street from Broadway to Vallejo Street and from Green Street to Chestnut Street; and authorize advertisement for bids.
20. Resolution No. 00-0113: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2310, 8-inch Ductile Iron Main Installation in Page Street between Franklin Street and Divisadero Street; and authorize advertisement for bids.
21. Discussion and possible action related to San Francisco Water Department Contract WD-2321.

Staff Recommendation: Approve the final plans and specifications for San Francisco Water Department Contract No. WD-2321, Harry Tracy Water Treatment Plant and Electronic Shop Remodel; and authorize advertisement for bids.

Commissioner Makras commented that he would vote the item down, as he did not see its importance to maintaining reliability in the system. He said after reviewing the project in line with other capital projects, this fell far down the list of important projects.

Commissioner Caen commented that the estimated cost seemed too much for the scope of work under the contract.

Mr. Hintze explained that this is a part of a capital improvement program to repair and upgrade facilities for San Francisco Water Department. The request before the Commission was to construct a training center to provide continuous training to water treatment staff. He noted that the State of California Department of Health Services issued a Compliance Order to SFPUC to develop training programs to guarantee safe drinking water.

Ms. Lena Ch'en, Project Manager, stated that the reason the cost was higher was due to additional requirements because of change in occupancy.

Ms. Chen explained that training had been ongoing at the plant and due to lack of space, they hold trainings in hallways. Mr. Leland Fong, Superintendent, Water Supply & Treatment Division, spoke about the need to establish a formal training program for the four operating groups of Water Supply & Treatment Division. Mr. Hintze indicated that staff suggested the Harry Tracy Water Treatment Plant for the training site due to its centralized location and proximity to water treatment resources.

Commissioner Cook suggested that staff break up the work into different components and identify specific costs and value for each component.

Commissioner Makras moved to deny staff's recommendation, as he believed that there are facilities available within SFPUC and other agencies for training purposes. He stated that the Commission had already acquired an office building for SFPUC to accommodate space requirements of the organization.

President Normandy pointed out that the Commission recognized the need to have a training facility proximate to the water treatment plant. However, due to questions raised by members of the Commission regarding costs, context of the project, and priorities, it was prudent to deny and postpone action on the item. He stated that if staff feels that it is very important to pursue this project, they could return and present a stronger case to the Commission.

Moved by Commissioner Makras, seconded by Commissioner Caen, to deny staff's recommendation; passed (3-1). Commissioner Cook voted No.

Resolution No. 00-0114: Denied staff's recommendation for San Francisco Water Department Contract No. WD-2321.

Award

22. Discussion and possible action related to Clean Water Program Contract No. CW-205.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0115: Award Clean Water Program Contract No. CW-205, 4th Avenue/5th Avenue/Paris Street Sewer Replacement, to the lowest responsive bidder, J. Flores Construction Company, Inc. for \$375,191.

Close

23. Discussion and possible action related to Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs.

Commissioner Caen questioned the fact that the contractor, A. RUIZ CONSTRUCTION COMPANY, who had done a lot of work for the City, did not abide by the subcontracting requirements. She believed that this is a very good red flag for a firm who does not comply with contract requirements of the City.

Mr. Hintze noted that the contractor agreed that if they do not meet the goals on any more City contracts within the next two years, they would be barred for bidding on City work for two years. Mr. Mullane added that A. Ruiz had a good performance record in the past and the fact that they agreed with this condition demonstrates a good faith effort on their part.

Commissioner Cook asked how many other contracts A. Ruiz have with the City for which they have not been in compliance. Mr. Mullane suggested that HRC staff provide the answer to Commissioner Cook.

Antonio Ruiz, President of Ruiz Construction, commented that they have complied in every contract with the City except for this project. He stated that due to severe weather condition upcountry, it was difficult to get subcontractors to work on the project.

Commissioner Makras expressed support to adopt the item. He commented that Mr. Ruiz consented with SFPUC staff and HRC to enforce settlement provisions such as paying for liquidated damages.

Commissioner Cook commented that he was concerned about the contractor's repeated non-compliance. He stated that a more stringent penalty than discounts should be imposed. His concern was that prime contractor benefits from not sharing the work with subcontractors. Mr. Ruiz explained that this is an isolated case and not

an ongoing abuse. Their firm has a very good track record but due to difficulty in getting subcontractors to work on this project, they were unable to meet the goals.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0116: Accept the work performed under Hetch Hetchy Contract No. HH-861, Mountain Tunnel Adit Repairs, as complete; approve contract modification in the credit amount of \$170,280.60; and authorize final payment to A. Ruiz Construction Co. the amount of \$28,900.

PROFESSIONAL SERVICE CONTRACTS

Award

24. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project. (Continued from the meeting of April 11, 2000).

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Anaerobic Digestion Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed two and a half years.

Item 24 was continued to the next regular meeting scheduled on May 9, 2000.

Amend

25. Discussion and possible action related to the agreement for legislative representation and advocacy services with Hooper, Owen, & Winburn.

Commissioner Makras suggested amending the resolution by extending the agreement to December 31, 2000 and prorate fees based on the suggested term. He stated that he had communicated this with staff and staff believed that this timeframe would allow them to do an extensive outreach program without disrupting the department's lobbying efforts. He stated that this resolution adhere to standards set by the Commission that all professional contracts are put up for bids every four years.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution as amended; (4-0) unanimously.

Resolution No. 00-0117: Amend the legislative representation and advocacy service agreement with Hooper, Owen, & Winburn; extend the agreement to December 31, 2000; and increase the contract amount by \$212,500.

26. Discussion and possible action related to amending the Sunol Valley Water Treatment Plant Phase 1 Improvements Contract.

Patty Mallett, Utilities Engineering Bureau Project Manager, stated that staff proposed amending the contract instead of putting this out for bid due to possible difficulty of finding another consultant willing to perform engineering services on another firm's design. She said engineers are typically averse to accepting liability for another firm's design. Amending the contract with Montgomery Watson would allow liability for the design drawings to remain with them. It also would cost less because they already know the objective of the design drawings.

Commissioner Caen questioned why was the engineering services (ESDC) not included in the original scope of work. Ms. Mallett responded that it was stated in the original RFP that the contract may be amended to include ESDC because it is industry standard to have the designer provide the service. She said it was not included in the original scope, as staff did not have sufficient information at the time to estimate and scope out the work required. The contract included conceptual engineering and detailed design and it was PUC's advantage to wait until we had sufficient data to negotiate the services. If it was negotiated in the beginning, staff would be here today with a contract amendment because what was negotiated would not likely match what was needed at this point.

Commissioner Makras expressed concerns about fairness during the RFP phase. If consultants knew that the contract would ultimately include engineering services they may have been more aggressive in their proposal. He added that whoever did the design should have produced a good product that anyone else can finish the job.

Commissioner Makras suggested that a policy be established on how the RFP is advertised. He recommended that the ESDC task be included in the RFPs and clearly state that those tasks would be negotiated and brought back to the Commission before beginning work.

Commissioner Makras asked the representative of Montgomery Watson whether the design work for this project was of high standard that any firm could work off the design and complete their task. Carol Tate, a representative from Montgomery Watson, stated that she stands behind the quality of their product but whether another engineer can take it from there, she would not know. She noted that she would not particularly want to take another engineer's product and carry it through engineering services during construction, as there will be questions on who was responsible for what.

Responding to Commissioner Makras' inquiry, Ms. Tate stated that they would answer questions of the engineer concerning their design work depending on how detailed the question will be. If there is a deficiency in the design, the contract states that Montgomery Watson will be responsible for correcting it.

Mr. Mullane clarified that the issue about this item was about potential liabilities and determining who is accountable if the original plan does not work.

Moved by Commissioner Caen, seconded by Commissioner Makras, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0118: Authorize Amendment No. 2 to the professional service agreement with the Montgomery Watson/AGS/Structus Joint Venture to provide engineering services during construction for Sunol Valley Water Treatment Plant Phase 1 Improvements; increase the contract amount by \$2,010,172; and extend the agreement term by 26 months to December 31, 2002.

CLOSED SESSION

The Public Utilities Commission went into Closed Session at 4:32 P.M. to discuss the following matters.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorneys John Malamut and Charles Sullivan, Mayor's Office Representative Emilio Cruz, Bernal Project Team Members Bruce Lymburn and Dean Macris.

No action was taken on Item 27.

28. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: San Mateo County Transit District v. Hertz Realty Corp., et.al., San Mateo County Superior Court No. 405-958.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Caen, seconded by Commissioner Cook, to adopt the following resolution; (4-0) unanimously.

Resolution No. 00-0199: Recommending a settlement in the case of San Mateo County Transit District v. Hertz Realty Corp., et.al., San Mateo County Superior Court No. 405-958.

29. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Caen, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, and Bureau of Personnel & Training Manager Dorothy Bowman.

No action was taken.

30. Public comments on matters to be discussed in Closed Session.

There was none.

31. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

At 5:44 P.M., the Commission reconvened in open session.

32. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

33. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Caen, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

Thereupon, the meeting was adjourned: 5:45 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 9, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

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MAY - 8 2000

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Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Electric Reliability Update. 7 mins. (Park)
 - b. Mercury Thermometer Event. 7 mins. (Medbery)
8. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

Public comment will be taken on each item.

REGULAR BUSINESS

9. Discussion and possible action related to the City Attorney's legal services. (Jacobo)

Staff Recommendation: Approve a fund transfer of \$1,033,104 million to the City Attorney's Office work order to cover the projected shortfall for legal services for the current FY 1999-2000; and approve the City Attorney's FY 2000-01 budget request of \$3,715,564.

LEASES AND PERMITS

10. Discussion and possible action related to lease of office space at 1212 Market Street. (Dowd)

Staff Recommendation: Approve a one-year extension of current lease term to October 31, 2001 for the 5,834 square feet of office space on the 2nd and 3rd floors, by the Public Utilities Commission, at 1212 Market Street at an annual projected rate of \$162,912.

11. Discussion and possible action related to the lease of PUC land located on Parcel 65 of Alameda County Lands, in Sunol, California. (Dowd)

Staff Recommendation: Authorize a lease with Robert G. Hibner, for 20 acres of Public Utilities Commission land located on a portion of Parcel 65 of Alameda County lands, in Sunol, California, for planting, harvesting and sale of hay or grain, at an annual rental rate of 26% of gross sales.

CONSTRUCTION CONTRACTS

Advertise

12. Discussion and possible action related to San Francisco Water Department Contract No. WD-2297. (Quan)

Staff Recommendation: Approve final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2297, 4-, 6-, and 8-inch Ductile Iron Main Installation in Morris, Harriet and other streets.

13. Discussion and possible action related to San Francisco Water Department Contract No. WD-2331. (Quan)

Staff Recommendation: Approve final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2331, Sutro Reservoir Erosion Control.

Award

14. Discussion and possible action related to San Francisco Water Department Contract No. WD-2324. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2324, Sunset Reservoir South Basin Cleaning and Repair, in the amount of \$3,001,228 to the lowest responsive and responsible bidder, Mitchell Engineering.

Close

15. Discussion and possible action related to Clean Water Program Contract No. CW-103. (Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-103, 11th Street Sewer Replacement, as satisfactorily completed; approve contract modification No. 2 in the credit amount of \$3,788.11 and time extension of 23 calendar days; and authorize final payment to Alpine Construction for \$6,408.89.

16. Discussion and possible action related to Clean Water Program Contract No. CW-124. (Quan)

Staff Recommendation: Accept work performed for Clean Water Program Contract No. CW-124, Dore/Valencia/Clinton Park Sewer Replacement, as satisfactorily completed; approve contract modification No. 2 in the debit amount of \$26,787.90 and time extension of 359 calendar days; and authorize final payment to Alpine Construction for \$44,463.90.

PROFESSIONAL SERVICE CONTRACTS

Award

17. Discussion and possible action related to the PUC Program Management Services Contract No. CS-524. (Wong)

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to execute Contract No. CS-524, a four-year professional services agreement with the San Francisco Water Alliance, to provide Program Management Services for the SFPUC Capital Improvement Program, for an amount not to exceed \$45 million.

18. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Solids Handling Upgrade Project. (Continued from the meeting of April 25, 2000. (Loiacono)

Staff Recommendation: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Solids Handling Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed 12 months.

CLOSED SESSION

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

20. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator: Geoffrey Rothman
Organization: Miscellaneous Employees
Issues: All

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:
- | | |
|----------------------|--|
| Property: | Balboa Reservoir Property at Phelan and Ocean Avenue |
| Parties Negotiating: | CCSF – Dowd/Kubick
San Francisco City College |
| Under Negotiation: | Terms |
22. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:
- | | |
|----------------------|----------------------------------|
| Property: | Sunol Valley Golf Course |
| Parties Negotiating: | CCSF – Dowd/Arnold |
| Lessee: | Sunol Valley Golf and Recreation |
| Under Negotiation: | Price and Terms |
23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)
- | | |
|----------------------|---|
| Existing Litigation: | Florist’s Insurance/Dell’s Ivy Acres, Claim No. 99W6027/00-02253. |
|----------------------|---|
24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Clayton)
- | | |
|----------------------|--|
| Existing Litigation: | Eileen Cronin v. CCSF, Superior Court No. 994-552. |
|----------------------|--|
25. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):
- | | |
|------------|-------------------------------------|
| Positions: | General Manager of Public Utilities |
|------------|-------------------------------------|
26. Public comments on matters to be discussed in Closed Session.
27. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

28. Announcement following Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT



SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

MINUTES
REGULAR MEETING

May 9, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY



1. Call to order: 1:42 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ashok Bhatt

Excused - Commissioner Ann Moller Caen

3. Approval of Minutes

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the Minutes of the Special Meetings of February 15, 2000 and February 16, 2000; passed (4-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

President Normandy inquired whether the Mayor's Office or the Board of Supervisors responded to SFPUC's letter concerning health plan benefits for PUC personnel in Moccasin. John P. Mullane, General Manager of Public Utilities, stated that staff had not received any response from either office.

6. Introduction of New Business by Commissioners

There was no new business introduced by Commissioners.

7. Report of the General Manager

- a. Electric Reliability Update.

Item 7.a. was continued to the next regular meeting scheduled on May 23, 2000.

- b. Mercury Thermometer Event.

Steve Medbery, Manager, Bureau of System Planning Environment and Compliance, reported about the Mercury-Free Program kickoff event held on May 3, 2000. The program sponsored by SFPUC Water Pollution Control allowed San Francisco residents to exchange their mercury thermometers with digital thermometers at any San Francisco fire station during the month of May. Video news clips from various television stations were played.

Mr. Medbery commended SFPUC staff Dan O'Rourke, Paula Kehoe and Beverly Hennessy for their outstanding public outreach efforts.

- c. Johannes Loffeld, Manager, Bureau of Management Information Systems, reported about the "love" virus that shutdown SFPUC's email system and connection to other City departments. Mr. Loffeld stated that out of 1,100 personal computers in the PUC, 70 were infected by the virus. He said it took two to three days to clear up the problem.

8. Public comments on matters that were not on today's agenda.

There was none.

REGULAR

9. Discussion and possible action related to the City Attorney's legal services.

Carlos Jacobo of the Bureau of Finance noted that the budget shortfall resulted from changes in federal legislation unaccounted for in the budget and untimely submission of expenditure reports by the City Attorney's Office. Mr. Jacobo stated that staff had established a system to closely monitor legal service expenditures and manage expenses within the budget.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0120: Approve a fund transfer of \$1,033,104 to the City Attorney's Office work order to cover the projected shortfall for legal services for the current FY 1999-2000; and approve the City Attorney's FY 2000-01 budget request of \$3,715,564.

LEASES AND PERMITS

10. Discussion and possible action related to lease of office space at 1212 Market Street.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0121: Approve a one-year extension of current lease term to October 31, 2001 for the 5,834 square feet of office space on the 2nd and 3rd floors, by the Public Utilities Commission, at 1212 Market Street at an annual projected rate of \$162,912.

11. Discussion and possible action related to the lease of PUC land located on Parcel 65 of Alameda County Lands, in Sunol, California.

Staff Recommendation: Authorize a lease with Robert G. Hibner, for 20 acres of Public Utilities Commission land located on a portion of Parcel 65 of Alameda County lands, in Sunol, California, for planting, harvesting and sale of hay or grain, at an annual rental rate of 26% of gross sales.

President Normandy moved, Commissioner Makras seconded, to allow discussion of the matter.

Commissioner Makras commented that he was opposed to the waiver of the security deposit and the proposed rental rate. He stated that a rental rate based on percentage of gross sales was not economically logical to the City. Gary Dowd, Manager, Bureau of Commercial Land Management, stated that there were a couple of leases adjacent to the property whose rental rates were percentage-based rates.

President Normandy expressed concerns about the impact of the farming activity particularly that the property is immediately adjacent to the Sunol Temple.

President Normandy and Commissioner Makras withdrew their motion to adopt.

Commissioner Makras recommended denying staff's recommendation, as it was not consistent with SFPUC's Watershed Master Plan and Land Management Policy.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to deny staff's recommendation; passed (4-0) unanimously.

Resolution No. 00-0122: Deny staff's recommendation.

CONSTRUCTION CONTRACTS

Advertise

12. Discussion and possible action related to San Francisco Water Department Contract No. WD-2297.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0123: Approve final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2297, 4-, 6-, and 8-inch Ductile Iron Main Installation in Morris, Harriet and other streets.

13. Discussion and possible action related to San Francisco Water Department Contract No. WD-2331.

Moved by Commissioner Cook, seconded by Commissioner Makras, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0124: Approve final plans and specifications; and authorize the Utilities Engineering Bureau Manager to advertise for bids for San Francisco Water Department Contract No. WD-2331, Sutro Reservoir Erosion Control.

Award

14. Discussion and possible action related to San Francisco Water Department Contract No. WD-2324.

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2324, Sunset Reservoir South Basin Cleaning and Repair, in the amount of \$3,001,228 to the lowest responsive and responsible bidder, Mitchell Engineering.

Item 14 was continued to the next regular Commission meeting scheduled on May 23, 2000.

Close

15. Discussion and possible action related to Clean Water Program Contract No. CW-103.

Michael Quan, Manager, Utilities Engineering Bureau, noted that the contractor, Alpine Construction, did not meet the MBE/WBE participation goals for the contract. Ms. Panetta Scott, HRC Compliance Officer, stated that HRC negotiated with Alpine Construction and they agreed that in the event Alpine does not comply with MBE/WBE subcontracting goals on any future contract, the City would debar them from participating in SFPUC contracts.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0125: Accept work performed for Clean Water Program Contract No. CW-103, 11th Street Sewer Replacement, as satisfactorily completed; approve contract modification No. 2 in the credit amount of \$3,788.11 and time extension of 23 calendar days; and authorize final payment to Alpine Construction for \$6,408.89.

16. Discussion and possible action related to Clean Water Program Contract No. CW-124.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0126: Accept work performed for Clean Water Program Contract No. CW-124, Dore/Valencia/Clinton Park Sewer Replacement, as satisfactorily completed; approve contract modification No. 2 in the debit amount of \$26,787.90 and time extension of 359 calendar days; and authorize final payment to Alpine Construction for \$44,463.90.

PROFESSIONAL SERVICE CONTRACTS

Award

President Normandy recused himself from discussions pertaining to Item 17.

17. Discussion and possible action related to the PUC Program Management Services Contract No. CS-524.

Staff Recommendation: Authorize the Utilities Engineering Bureau Manager to execute Contract No. CS-524, a four-year professional services agreement with the San Francisco Water Alliance, to provide Program Management Services for the SFPUC Capital Improvement Program, for an amount not to exceed \$45 million.

George Wong, Deputy City Attorney, noted that there were three minor changes to make to the agreement. Those changes were: (1) add a provision to the agreement that any services provided by a law firm should be reviewed and approved by the City Attorney; (2) On page 4, "Compensation" Item 8. (b), second paragraph, delete the word "unique"; and (3) change retention from 10% to 5%. Mr. Ed Richardson, Vice President of Bechtel Infrastructures, stated that they do not have a problem with the three issues raised by the Deputy City Attorney.

Michael Quan, Utilities Engineering Bureau Manager, gave a presentation using overhead slides regarding the elements of the final draft agreement with San Francisco Water Alliance. His report covered the scope of work, contract cost, key terms and conditions, program management organization, overhead rates, fee structure, and proposed MBE/WBE participation.

Public Comments:

The following individuals commented in opposition to awarding the program management contract to Bechtel because of its refusal to provide domestic partner health benefits to its employees and violation of human rights in Bolivia: Chris Daly, Coordinator of Mission Agenda; Josephine Crawley Quinn, representing Harvey Milk Democratic Club; Henry Schwan, Abalone Alliance; and Antonio Diaz.

Commissioner Bhatt expressed concerns about the issues raised by the speakers concerning Bechtel's non-compliance with Chapter 12B requirements of the San Francisco Administrative Code and history of human rights violation.

Mr. Quan stated that since the contract before the Commission was not complete, he requested that the Commission grant additional time for staff to finalize the contract.

Vice President Makras announced that the Commission would recess today's meeting and reconvene on Wednesday, May 10, 2000 at 1:00 P.M. to continue the discussion on Item 17. He stated that the public comment would remain open.

President Normandy resumed the chair.

18. Discussion and possible action related to Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Solids Handling Upgrade Project. (Continued from the meeting of April 25, 2000.)

Commissioner Makras commented that the agenda item included oral interview ratings of the bidders but did not disclose the names of the interview panel.

President Normandy suggested that if staff were to provide the Commission with interview ratings they should disclose the names of the interview panelists. Ms. Panetta Scott, HRC Compliance Officer, that it had been past practices not to disclose the names of the panel members. Vicki Clayton, Utilities General Counsel, added that the names of the panel could be provided upon request.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0127: Authorize the General Manager of Public Utilities to negotiate and execute an agreement with Brown and Caldwell to provide technical support and public outreach services for Contract No. CS-541, Southeast Water Pollution Control Plant (SEWPCP) Solids Handling Upgrade Project, for an amount not to exceed \$1,000,000 for a term not to exceed 12 months.

CLOSED SESSION

19. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorneys Charles Sullivan and John Malamut.

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

No action was taken.

20. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Employee Relations Director Geoff Rothman, and Assistant General Manager, SFPUC Operations Lawrence T. Klein.

Negotiator: Geoffrey Rothman
Organization: Miscellaneous Employees
Issues: All

No action was taken.

21. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir Property at Phelan and Ocean Avenue
Parties Negotiating: CCSF – Dowd/Kubick
San Francisco City College
Under Negotiation: Terms

Item 21 was continued to the next regular Commission meeting on May 23, 2000.

22. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Sunol Valley Golf Course
Parties Negotiating: CCSF – Dowd/Arnold
Lessee: Sunol Valley Golf and Recreation
Under Negotiation: Price and Terms

Item 21 was continued to the next regular Commission meeting on May 23, 2000.

23. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Florist's Insurance/Dell's Ivy Acres, Claim No. 99W6027/00-02253.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Makras, seconded by Commissioner Cook, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0128: Recommend a settlement in the case of Florist's Insurance/Dell's Ivy Acres, Claim No. 99W6027/00-02253.

24. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: Eileen Cronin v. CCSF, Superior Court No. 994-552.

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0129: Recommend a settlement in the case of Eileen Cronin v. CCSF, Superior Court No. 994-552.

25. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Position: General Manager of Public Utilities

Present were President Normandy, Vice President Makras, Commissioner Cook, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

No action was taken.

26. Public comments on matters to be discussed in Closed Session.

There was none.

27. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Makras, to assert the attorney-client privilege; passed (3-0) unanimously.

Commissioner Bhatt was excused from 3:10 P.M. to 3:26 P.M.

The Public Utilities Commission met in Closed Session from 3:26 P.M. to 4:12 P.M. to discuss the above listed items.

28. Announcement following Closed Session.

President Normandy announced the actions taken during the Closed Session.

29. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

The meeting recessed at 4:14 P.M.

The Commission reconvened on May 10, 2000 at 1:12 P.M., in City Hall, Room 408, 1 Dr. Carlton B. Goodlett Place, San Francisco.

Members of the Commission present were President Normandy, Vice President Makras, Commissioner Cook, and Commissioner Bhatt.

17. Discussion and possible action related to the PUC Program Management Services Contract No. CS-524.

President Normandy recused himself from the proceedings. Vice President Makras chaired.

Mr. Quan discussed the changes in the contract, which were verbiage changes and clarification on retention. The proposed contract provides 5% retention on all tasks to be performed.

Ed Richardson, Executive Vice President of Bechtel Infrastructures, speaking for the San Francisco Water Alliance, stated that changes to the contracts were acceptable to the Alliance.

Public Comment:

Esther Lee, representing Alice B. Toklas Lesbian and Gay Democratic Club commented that they were thrilled that Bechtel offered equal benefits for lesbian, gay, bisexual and transgender employees.

Mr. Quan stated that the negotiated contract with Alliance provides that SFPUC was going to pay for direct salaries and overhead cost, and the rate or fee would be based on performance. Dwight Steeves of the Bureau of Finance stated that direct salaries are limited to people working on the project and other people are under overhead rates. Mr. Steeves stated that staff compared the proposed contract with Alliance to a number of projects and they attest that the contract rate was very favorable.

Commissioner Makras asked for an explanation of the difference between home rate and field rate between the prime contractor and subcontractors. Mr. Steeves responded that home rate is work done in the contractors' own offices and the field rate is used when they establish an office in the field or construction site and SFPUC provided the equipment. The field rate is lower than home rate. There is discrepancy between prime and subcontractor rates because the prime does more fieldwork than the subcontractor does.

Vice President Makras stated that the MBE/WBE goals presented were substantially low than the 40% established for the contract. Andy Lawson of the San Francisco Water Alliance responded that the tasks were divided in three classes; program, project specific, and other technical services. The program tasks

are more certain and not subject to change. The project and technical service tasks depend upon the particular requirement of the CIP. Since they do not know the specifics of the project tasks at this time, they were unable to allocate the work within the various partners. Mr. Richardson pointed out that the Alliance is absolutely committed to the percentage commitments in the contract.

Vice President Makras acknowledged the representatives of Bechtel and O'Brien Kreitzberg for their professionalism and openness during the process. He said he was impressed with Ruth Hobbs of O'Brien Kreitzberg for her honesty and integrity in answering the questions of the Commission.

Commissioner Cook moved to adopt staff's recommendation to award the program management contract to the San Francisco Water Alliance. Commissioner Bhatt seconded.

Vice President Makras suggested the following changes to the agreement:

- (1) Page 3, Item 5.(c) - Eliminate the first four words of the first sentence: "*At the City's request...*" so that the sentence reads: "*The consultant will publicly report on its progress and performance, and the costs and benefit to the PUC capital program.*"
- (2) Page 3, Item 5.(d) - Delete the first five words, "*In the event the parties*", and replace it with "*The parties has agreed*" to read "*The parties has agreed to a performance/at-risk fee arrangement based on the Consultant's achieving pre-determined objective milestones for....*"
- (3) Page 3, Item 7.(b) first sentence - After "*City departments*", insert "*or third party construction managers*" to read "*PUC engineers or engineers from other City departments or third party construction managers will be the construction managers for all PUC projects in the capital program...*"
- (4) Page 15, Item 37.(c) at the end of the first sentence - Insert "*Program participation goals for MBE are to be increased by 2% annually and for WBE 1% annually.*"
- (5) Page 17, Item 38 - Add Item (f) "*Contractor certifies that all salaried employees of Bechtel now being 9,500 persons in the United States are covered by Chapter 12B and 12C of the San Francisco Administrative Code. The Contractor agrees that any and all contracts now existing in the United States shall offer the provisions of Chapter 12B and 12C upon extension and/or renewal of such contracts. The Contractor agrees to require all contractors working on SFPUC projects to comply with Chapters 12B and 12C of the San Francisco Administrative Code.*"

Mr. Richardson stated that they accept the increase in MBE/WBE goals. Regarding Equal Benefits, Bechtel had notified each of the 9,500 salaried employees of its intent to offer equal benefits. He said certain provisions of the equal benefits have already been done. They also extended the benefit nationally even though the Equal Benefit Ordinance only applies to San Francisco.

He stated that Bechtel is also committed to offer benefits to employees where Bechtel does not have exclusive discretionary right to do so. He noted that in contracts where Bechtel is not the sole provider of benefits or where Bechtel does not have unilateral rights, they would submit a benefits package to the approving authority and encourage them to get it done. He said while he cannot certify that a government entity of another state will agree to it, they will try to encourage them. If they were unsuccessful, they will notify the Commission. Ms. Jody Debbs, Legal Counsel for Bechtel Infrastructures, commented that the word "offer" connotes that Bechtel can actually offer those benefits but in some circumstances, they cannot. Vice President Makras stated that his language was broad and he was after the intent. Mr. Richardson stated that they are in agreement with what the Commission was asking.

Mr. Richardson said that he agreed to the third issue requiring all contractors that work on the SFPUC contract comply with Sections 12B and 12C as a condition of working under the contract. However, he said it would be helpful for those that submit contracts, if the verbiage under Section 12B was clear as to what we are doing. He requested that PUC and Bechtel staff work on the verbiage without changing the intent of the Commission. Vice President Makras directed staff to work with Bechtel on the meaning of the Commission's verbiage and convey the language they agreed upon to the Commission. Staff should return to the Commission should disagreements arise.

Commissioner Cook and Commissioner Bhatt amended their motion to include Vice President Makras' changes to the contract.

Vice President Makras solicited comments from the San Francisco Water Alliance, the Human Rights Commission, and the Utilities General Counsel concerning the process. Mr. Richardson of Bechtel Infrastructures stated that he understood and approved the contract. Cynthia Goldstein of the Human Rights Commission speaking in particular to equal benefits issues, stated that the San Francisco Water Alliance complies with the Equal Benefits Ordinance. Vicki Clayton, Utilities General Counsel, commented that she believed that the contract was ready to proceed. With regard to Section 37.(c), she suggested that the increase in MBE/WBE goals be subject to HRC's approval since HRC staff was not available today to review and approve the increase in goals.

Commissioner Normandy commented that although he recused himself from the proceedings, his involvement to move on to this point did not diminish. He commended Commissioner Cook who worked with him on the Program Management Task Force.

Relative to the reporting system on page 3, item 5c of the contract, Commissioner Normandy stressed that the SFPUC made it absolutely sure that the Request for Proposal called for a monthly report from the winning bidder and the contract now requires the consultant to report to the Commission on the status of their progress and performance.

Commissioner Cook moved, Commissioner Bhatt seconded, to include that the increase in MBE/WBE goals (Item 37.c) be subject to HRC's approval.

The Commission voted unanimously to adopt the following resolution; passed (3-0).

Resolution No. 00-0130: Authorize the Utilities Engineering Bureau Manager to execute Contract No. CS-524, a four-year professional services agreement with the San Francisco Water Alliance, to provide Program Management Services for the SFPUC Capital Improvement Program, for an amount not to exceed \$45 million.

Thereupon, the meeting was adjourned: 1:56 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

REGULAR MEETING

May 23, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT.

MAY 22 2000

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COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Approval of Minutes
4. Communications
5. Introduction of Old/Ongoing Business by Commissioners
6. Introduction of New Business by Commissioners
7. Report of the General Manager
 - a. Electric Reliability Update. (Continued from May 9, 2000.) 7 mins. (Park)
 - b. Update on Chloramine. 7 mins. (Mallett)
 - c. Schedule for Program Management approval. (Mullane)
8. Bay Area Water Users Association (BAWUA) General Manager's Report
 - a. Water Resources Management Activities.
9. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

REGULAR BUSINESS

10. Discussion and possible action related to selection panel's recommendation for three highest bidders for Bernal property. (Lymburn)

11. Discussion and possible action related to transfer of funds from Hetch Hetchy Water & Power to the General Fund. (Park)

Staff Recommendation: Authorize the transfer of \$29.85 million to the General Fund in quarterly payments during FY 00/01.

12. Discussion and possible action related to water conservation measures for existing residential buildings. (Vizcarra)

Staff Recommendation: Request the Board of Supervisors to revise the San Francisco Municipal Housing Code to require owners of residential property to install ultra-low flow toilets prior to sale or title transfer of their buildings effective five years after the passage of the amendment, and replace their water-inefficient toilets with 1.6 gallons or less per flush toilets in any event effective 10 years after the passage of the amendment.

13. Discussion and possible action related to the sale of water efficient toilets to owners of apartment buildings with sixteen units or more. (Vizcarra)

Staff Recommendation: Authorize the Customer Service Bureau to offer owners of apartment buildings with sixteen units or more to purchase water efficient toilets for \$10.

14. Discussion and possible action related to the sale of water efficient toilets to restaurants in San Francisco. (Vizcarra)

Staff Recommendation: Authorize the Customer Service Bureau to offer restaurant owners in San Francisco to purchase water efficient toilets for \$10 each.

15. Discussion and possible action related to reallocation of funds in the City Distribution Division budget. (Flores)

Staff Recommendation: Authorize the General Manager of Public Utilities to reallocate \$300,000 from “Services of Other Departments” to “Professional Services Construction Contract” to fund the work performed by the Department of Public Works for the PUC.

16. Discussion related to performance security for professional service contracts. (Quan)

Staff Recommendation: For discussion only.

LEASES AND PERMITS

17. Discussion and possible action related to a Purchase Agreement and Lease Agreement with Adaptec, Inc. (Dowd)

Staff Recommendation: Authorize the General Manager of Public Utilities to execute a Purchase Agreement with Adaptec, Inc. to purchase approximately 28,153 sq. ft of Adaptec’s land in Milpitas, California at a sale price of \$491,319; and execute a 25-year lease agreement with Adaptec, as lessee, for approximately 1.17 acres of PUC land on a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California at an annual rental rate of \$26,557.56.

18. Discussion and possible action related to the jurisdictional transfer of Public Utilities Commission land located at the Southeast Treatment Plant on Phelps Street between Jerrold and Galvez Avenues. (Dowd)

Staff Recommendation: Request the Director of Property to prepare and submit a legislation to the Board of Supervisors to accommodate the jurisdictional transfer of 2,968 sq. ft. of land owned by the Public Utilities Commission, located at the Southeast Treatment Plant on Phelps Street between Jerrold and Galvez Avenues to the Public Transportation Commission, at historical cost.

CONSTRUCTION CONTRACTS

Advertise

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-885. (Quan)

Staff Recommendation: Approving the final plans and specifications; and authorizing bid call for Hetch Hetchy Water & Power Contract No. HH-885, O'Shaughnessy Dam Electrical and Mechanical Upgrade.

Award

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2324. (Continued from the meeting of May 9, 2000.) (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2324, Sunset Reservoir South Basin Cleaning and Repair, in the amount of \$3,001,228 to Mitchell Engineering.

21. Discussion and possible action related to San Francisco Water Department Contract No. WD-2285. (Quan)

Staff Recommendation: Award San Francisco Water Department Contract No. WD-2285, 4-, 6-, and 8-Inch Ductile Iron Main Installation in Geary Expressway between Masonic Avenue and Lyon Streets, Baker and Divisadero Streets, Scott and Steiner Streets; and in Post Street between Gough and Larkin Streets, in the amount of \$848,325 to Shaw Pipeline, Inc.

CLOSED SESSION

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation: As Plaintiff and as Defendant
Property: 500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating: Lymburn/Thompson/Malamut
City of Pleasanton
Under Negotiation: Terms and Conditions

23. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator: Geoffrey Rothman
Organization: Miscellaneous Employees
Issues: All

24. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir Property at Phelan and Ocean Avenue
Parties Negotiating: CCSF – Dowd/Kubick
San Francisco City College
Under Negotiation: Terms

26. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Sunol Valley Golf Course
Parties Negotiating: CCSF – Dowd/Arnold
Lessee: Sunol Valley Golf and Recreation
Under Negotiation: Price and Terms

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):
(Milstein)

Existing Litigation: William and Beth Freeman v. CCSF, San Mateo Superior Court
No. 407545.

28. Public comments on matters to be discussed in Closed Session.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

THE PUBLIC UTILITIES COMMISSION WILL GO INTO CLOSED SESSION TO DISCUSS
ABOVE LISTED CLOSED SESSION MATTERS.

FOLLOWING THE CLOSED SESSION, THE PUBLIC UTILITIES COMMISSION WILL RECONVENE IN PUBLIC SESSION.

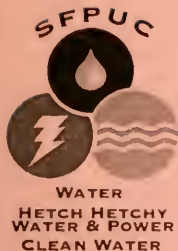
30. Announcement following Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

ADJOURNMENT

City and County of San Francisco
Public Utilities Commission
1155 Market Street, 4th Floor
San Francisco, CA 94103

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San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

REGULAR MEETING

May 23, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

DOCUMENTS DEPT

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DEPARTMENTS

Water Department
City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY



ORDER OF BUSINESS:

1. Call to Order: 1:42 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Ann Moller Caen

Commissioner Ashok Bhatt arrived at 2:35 P.M.

Excused - Commissioner Frank L. Cook

President Normandy asked for a moment of silence in memory of Rogelio Lepana, a member of the Southeast Community Facility Commission who had recently passed away.

3. Approval of Minutes

Commissioner Caen noted that the Minutes of February 22, 2000 incorrectly showed the previous officers instead of the current ones. The Minutes should read: Present - President E. Dennis Normandy, Commissioner Ann Moller Caen, Commissioner Frank L. Cook.
Excused – Vice President Victor G. Makras

Moved by Commissioner Caen, seconded by Vice President Makras, to adopt the Minutes of the Regular Meeting of February 22, 2000, as amended; passed (3-0) unanimously.

4. Communications

No action was taken.

5. Introduction of Old/Ongoing Business by Commissioners

There was no old/ongoing business introduced by Commissioners.

6. Introduction of New Business by Commissioners

President Normandy requested staff to prepare a report for the next meeting concerning gray water, providing a definition, the status of where PUC is today in relationship with the Department of Public Health and the Department of Public Works views relative to its use, and whether a policy regarding its usage should be established.

7. Report of the General Manager

a. Electric Reliability Update

Laurie Park, Acting General Manager of Hetch Hetchy Water & Power, reported an increase in power outages nationwide, due to decline in investments and maintenance and the age of the infrastructure in both generation and transmission facilities. Due to electric deregulation, there are too many cooks and the reliability problem has become much worse. The California ISO (Independent System Operator) had been trying to respond to San Francisco's concerns. They were seeking reductions in loads due to the resource shortages and a study is in progress to determine what course of action to take. Hetchy has submitted a bid on behalf of the City to reduce our loads by about 10% between June and October. The gross compensation for participating in load reduction is \$5 million.

Ms. Park noted that the extensive heat wave yesterday had the ISO calling a Stage 2 Emergency at 11:45 a.m. and called off at 12:05 p.m. PG&E told the public there was no problem.

Vice President Makras asked what had happened to the Emergency Plan following the 1998 blackout. Ms. Park stated that staff had prepared their input into the procedures following this event, which the ISO seemed to have ignored. Staff is currently working with them to include our concerns into the document. Commissioner Makras stated that we need better assurance and called for a calendar item detailing our expectations of PG&E and a resolution urging the Board of Supervisors to put pressure on PG&E. Commissioner Caen stated that we should work in tandem with the City Attorney.

President Normandy stated that we needed to make the City Attorney, the Board and the Mayor know what the ISO and PG&E had foisted on the PUC.

Commissioner Makras asked the representative from PG&E, Don Amuzie, to send in writing, within 10 days, an explanation of what PG&E had done and what their commitments are to providing reliable electric power in San Francisco so that the PUC would have tangible materials to work with. Mr. Amuzie requested that the request be put in writing.

b. Update on Chloramine

Patty Mallett from the Utilities Engineering Bureau stated that the Environmental Impact Report for the Chloramine Conversion Project was scheduled to go public on June 3, 2000. Ms. Mallett gave a brief history of the project. She said the main reason to convert to Chloramine was to comply

with the Disinfection By-Products Rule, limiting the maximum of THM's in our system. The SFPUC is the last system in the Bay Area to do the conversion to Chloramines. Public Outreach Program start about one year before conversion. Current outreach efforts include workshops for Bay Area Water Users Association (BAWUA) agencies and internal staff. Question & Answer Sheets about the Chloramine Conversion Project have been developed by PUC staff. Fact sheets have been developed for field staff. Ms. Mallett noted that the EIR stated that no significant impacts that could not be mitigated.

c. Schedule for Program Management Approval

Mr. Mullane reported that the Program Management Contract would be calendared before the Board of Supervisors Finance Committee on July 19, 2000. Final reading may take place on July 31. The Mayor has 10 working days to sign but it is expected that it will be signed by August 4. The contract is expected to be certified by August 10.

President Normandy asked about dovetailing the contract process with the Facilities Reliability Study. Mr. Mullane stated that emergency response and field assessment were included in the scope and presentation by Water Alliance and as soon as the contract is in place this will be one of the first items charged with moving forward.

8. Bay Area Water Users Association (BAWUA) General Manager's Report

Arthur Jensen, General Manager of the Bay Area Water Users Association, commented that the BAWUA Board of Directors passed a resolution in support of the Water Supply Master Plan. BAWUA is establishing a Local Projects Program, which it sees as its central role. He urged the Commission to support the program.

9. Public Comments

There were no public comments.

REGULAR BUSINESS

At President Normandy's recommendation, the Commission deferred Item 10 until after Closed Session.

11. Discussion and possible action related to transfer of funds from Hetch Hetchy Water & Power to the General Fund.

Laurie Park, Acting General Manager of Hetch Hetchy Water and Power put forward a substitute resolution regarding the transfer of surplus funds to the General Fund, stating that it was merely a format change, which President

Normandy read aloud. Staff recommended a general fund transfer of \$29.85 million for FY 00/01.

Holger Gantz, General Manager of the San Francisco Hilton, spoke against the transfer. He said given the amount of work needed to be done by the agency, he objected strongly to giving \$30 million to the General Fund, especially as the City has a surplus this year.

Nate Ratner, a member of the public, objected to the transfer of the money to the General Fund.

Bob Begley, Executive Director, Hotel Council of San Francisco, spoke in opposition to the transfer of funds to the General Fund.

Vice President Makras stated that unspent funds within the 12-month cycle is considered surplus. He encouraged approval of the transfer as it met the criteria of the City Charter governing determination of surplus funds. President Normandy stated that the PUC is an enterprise agency and there can be no co-mingling of funds between the various units of the PUC.

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0131: Approve the revisions to Hetch Hetchy's existing capital improvement program and FY 00/01 capital improvement program; and authorize the transfer of \$29.85 million to the General Fund for FY 00/01.

Commissioner Bhatt arrived at 2:35 P.M.

Items 12, 13, and 14 were taken collectively.

President Normandy asked whether the rate of \$10.00 per toilet was still an accurate figure or did it need updating. Kimberly Knox from the Customer Service Bureau Water Conservation Section said the amount was used as a motivation factor. Ms. Knox stated that they anticipate selling approximately 4,000 toilets this year and a price increase may decrease the sale slightly. President Normandy asked about the adequacy of the toilets and complaints. Ms. Knox said that of the 5,000 already sold, staff had received only about five complaints and approximately 200 compliments. Independent labs have tested the toilets and found them adequate. In response to Commissioner Caen's question about restaurants and other businesses not being targeted, Ms. Knox said that we sell tank toilets, and high usage businesses used flush toilets. She was also looking at implementing the same rebate program for Laundromats.

Commissioner Makras moved, Commissioner Bhatt seconded to adopt Items 12, 13, and 14; motion passed 4-0 unanimously.

12. Resolution No. 00-0132: Request the Board of Supervisors to revise the San Francisco Municipal Housing Code to require owners of residential property to install ultra-low flow toilets prior to sale or title transfer of their buildings effective five years after the passage of the amendment, and replace their water-inefficient toilets with 1.6 gallons or less per flush toilets in any event effective 10 years after the passage of the amendment.
13. Resolution No. 00-0133: Authorize the Customer Service Bureau to offer owners of apartment buildings with sixteen units or more to purchase water efficient toilets for \$10.
14. Resolution No.00-0134: Authorize the Customer Service Bureau to offer restaurant owners in San Francisco to purchase water efficient toilets for \$10 each.
15. Discussion and possible action related to reallocation of funds in the City Distribution Division budget.

Commissioner Caen expressed concern regarding late invoicing. Tony Flores, City Distribution Division Manager, said that the Department of Public Works had been notified in writing of PUC's intention not to tolerate late billing in the future. President Normandy suggested setting up policies or procedures so that we are not carrying back debts due to inefficiencies of other agencies. The General Manager explained that within the last two months staff had initiated meetings with the City Attorney, DPW, HRC and other work order departments to develop a policy and improve working relationships.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

- Resolution No. 00-0135: Authorize the General Manager of Public Utilities to reallocate \$300,000 from "Services of Other Departments" to "Professional Services Construction Contract" to fund the work performed by the Department of Public Works for the PUC.

16. Discussion related to performance security for professional service contracts.

Recommendation: For discussion only.

Ms. Iwata discussed performance bonds for professional service contracts. There are five options to be considered to provide additional security to the SFPUC for performance of professional service contracts.

- Retention of monies
- Performance Bonds or Letters of Credit
- Conduct a Prequalification Process
- Obtain an Independent Financial Report
- Conduct Consultant Performance Evaluations

Commissioner Makras was excused from 2:50 P.M. to 2:57 P.M.

Ms. Iwata indicated that staff recommended continuing the practice of retaining 10% of progress payments on professional services over \$250,000 to be released at the completion of the project. Vice President Makras agreed with the 10% retention. President Normandy also agreed with the retention as the other options put too much of a burden on internal staff. He wants to have additional security and would like staff to look at requiring both retention and performance evaluation options.

Commissioner Caen disliked the language allowing the Project Manager to reduce the retention if compelling arguments were made. She said that we should assume retention would be there. She also asked why we have not been using Dunn & Bradstreet.

Keith Grand, City's Risk Manager, stated that when he started with the City he was surprised to find that the City as a whole did not consult D&B. Some departments did and some did not. He concurred with Commissioner Caen on using a financial services firm to find out the financial status and history of a contractor.

President Normandy requested that staff work on this issue regardless of what is done in other parts of the City.

LEASES AND PERMITS

17. Discussion and possible action related to a Purchase Agreement and Lease Agreement with Adaptec, Inc.

Moved by Commissioner Makras, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0136: Authorize the General Manager of Public Utilities to execute a Purchase Agreement with Adaptec, Inc. to purchase approximately 28,153 sq. ft of Adaptec's land in Milpitas, California at a sale price of \$491,319; and execute a 25-year lease agreement with Adaptec, as lessee, for approximately 1.17 acres of PUC land on a portion of Parcel 111C of Bay Division Pipeline Nos. 3 and 4 right of way in Milpitas, California at an annual rental rate of \$26,557.56.

18. Discussion and possible action related to the jurisdictional transfer of Public Utilities Commission land located at the Southeast Treatment Plant on Phelps Street between Jerrold and Galvez Avenues.

Staff Recommendation: Request the Director of Property to prepare and submit a legislation to the Board of Supervisors to accommodate the jurisdictional transfer of 2,968 sq. ft. of land owned by the Public Utilities Commission, located at the Southeast Treatment Plant on Phelps Street between Jerrold and Galvez Avenues to the Public Transportation Commission, at historical cost.

Moved by Commissioner Makras, seconded by Commissioner Normandy, to continue Item 18 to June 13, 2000; passed (4-0) unanimously.

CONSTRUCTION CONTRACTS

Advertise

19. Discussion and possible action related to Hetch Hetchy Water & Power Contract No. HH-885.

Moved by Commissioner Caen, seconded by Commissioner Bhatt, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0137: Approving the final plans and specifications; and authorizing bid call for Hetch Hetchy Water & Power Contract No. HH-885, O'Shaughnessy Dam Electrical and Mechanical Upgrade.

20. Discussion and possible action related to San Francisco Water Department Contract No. WD-2324. (Continued from the meeting of May 9, 2000.)

Commissioner Makras stated that although the work scope did not specifically state that the work was seismic in nature, the funding appeared to be from the

seismic pocket and that it looked as though we were using seismic earmarked monies for non-seismic type work. It was a "truth in advertising" issue. Everett Hintze stated that the full seismic package was around \$30 million. This was a water quality issue and an immediate problem in that we needed to get the sand out of the reservoir and while the reservoir was down, we would take the opportunity to make as many repairs as we could. Karen Kubick stated that there was some correlation as there is partial seismic work required.

Moved by President Normandy, seconded by Commissioner Makras, to adopt the following resolution; passed (3-1) unanimously. Commissioner Makras voted no.

Resolution No.00-0138: Award San Francisco Water Department Contract No. WD-2324, Sunset Reservoir South Basin Cleaning and Repair, in the amount of \$3,001,228 to Mitchell Engineering.

21. Discussion and possible action related to San Francisco Water Department Contract No. WD-2285.

Mr. Hintze noted that the apparent low bidder, E. Mitchell Inc., was found to be non-responsive for not meeting the MBE goals established for the contract. Commissioner Caen asked whether Mitchell Engineering and Mitchell Inc. are different firms. Mr. Hintze stated that was the case. She also asked about the discrepancy between the engineer's estimate and the bids. Mr. Hintze stated that there was so much work available and it was difficult to get people interested in bidding.

Moved by Commissioner Makras, seconded by President Normandy, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0139: Award San Francisco Water Department Contract No. WD-2285, 4-, 6-, and 8-Inch Ductile Iron Main Installation in Geary Expressway between Masonic Avenue and Lyon Streets, Baker and Divisadero Streets, Scott and Steiner Streets; and in Post Street between Gough and Larkin Streets, in the amount of \$848,325 to Shaw Pipeline, Inc.

CLOSED SESSION

The Public Utilities Commission met in Closed Session at 3:32 P.M. to discuss the following matters:

22. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

Present were President Normandy, Vice President Makras, Commissioner Caen, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Deputy City Attorney Charles Sullivan, Deputy City Attorney John Malamut, Consultant Team members Bruce Lymburn, Bob Thompson, and Dean Macris.

No action was taken.

23. Conference with Labor Negotiator – Collective Bargaining – Pursuant to Government Code Section 54957.6 (a) and Administrative Code Section 67.8:

Negotiator:	Jon Holtzman
Organization:	Miscellaneous Employees
Issues:	All

Present were President Normandy, Vice President Makras, Commissioner Caen, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson, Assistant General Manager for PUC-Operations Lawrence T. Klein, Bureau of Commercial Land Management Manager Gary Dowd; Water Supply & Treatment Division representative Don Larramendy, Deputy City Attorney Martin Gran, Mayor's Office representative Jon Holtzman; and Department of Human Resources representative Alice Villagomez.

Moved by Commissioner Makras, seconded by Commissioner Commissioner Normandy, to adopt the following resolution; passed 4-0) unanimously.

Resolution No. 00-0140: Approve the language of Article II.X of the Memorandum of Understanding between the City and County of San Francisco and SEIU Local 790 to be effective July 1, 2000 through June 30, 2003.

24. Public Employee Appointment/Hiring - Pursuant to Government Code Section 54957 and San Francisco Administrative Code Section 67.10(b):

Positions: General Manager of Public Utilities

No action was taken.

25. Conference with Real Property Negotiator - Pursuant to Government Code Section 54956.8:

Property: Balboa Reservoir Property at Phelan and Ocean Avenue
Parties Negotiating: CCSF – Dowd/Kubick
San Francisco City College
Under Negotiation: Terms

Present were President Normandy, Vice President Makras, Commissioner Caen, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, and Commission Secretary Jill R. Thompson.

No action was taken.

26. Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8:

Property: Sunol Valley Golf Course
Parties Negotiating: CCSF – Dowd/Arnold
Lessee: Sunol Valley Golf and Recreation
Under Negotiation: Price and Terms

Item 26 was continued to June 13, 2000.

27. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(a):

Existing Litigation: William and Beth Freeman v. CCSF, San Mateo Superior Court No. 407545.

Present were President Normandy, Vice President Makras, Commissioner Caen, Commissioner Bhatt, PUC General Manager John P. Mullane, Jr., Utilities General Counsel Vicki Clayton, Commission Secretary Jill R. Thompson,

Moved by Commissioner Makras, seconded by Commissioner Caen, to adopt the following resolution; passed (4-0) unanimously.

Resolution No. 00-0141: Authorize the City Attorney to file an appeal in the matter of William and Beth Freeman v. CCSF, San Mateo Superior Court No. 407545.

28. Public comments on matters to be discussed in Closed Session.

There were no public comments.

29. Motion on whether to assert the attorney-client privilege regarding the matters listed below as Conference with Legal Counsel.

Moved by Commissioner Normandy, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (4-0) unanimously.

Following the Closed Session, the Public Utilities Commission reconvened in public session at 5:18 p.m.

30. Announcement following Closed Session.

President Normandy announced the actions taken during Closed Session.

31. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Caen, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (4-0) unanimously.

The Commission resumed to Regular Business.

REGULAR BUSINESS

10. Discussion and possible action related to selection panel's recommendation for three highest bidders for Bernal property.

Bruce Lymburn, PUC consultant, stated that the Commission had received five bids. One of the bids was received by fax with no check, which they had deemed non-compliant.

The selection panel had analyzed the four bids submitted by Lake Herman, GHC Bernal Investors, Pleasanton Partners, Signature Properties, and Kaufman Broad South Bay Inc. The bids were analyzed as to the schedule viability, ability to work with Pleasanton and money. They deemed three bids compliant: Lake Herman

Investors, GHC Bernal Investors, and Pleasanton Park Partners. They considered the fourth bidder, Kaufman and Broad South Bay Inc. to be non-conforming as they did not propose the required \$100 million minimum payment at closing. They proposed \$23 million closing payment with additional payment of \$102 million payable over a 3-year period.

The selection panel recommended that the three conforming bids be approved as eligible to make the best and final bids. In addition the panel has outlined in the memo to the Commission the bidders' strengths and weaknesses and thought that the bidders should address some of the weaknesses the panel perceived.

Public Comments:

Jeff McMullen of Kaufman and Broad commented that K&B had the most money offered (\$125 million). They are the most secure and largest company. Their bid offer did not have contingencies and they had the best land plan with Measure I. He urged the Commission to include them as one of the finalists so that they could restructure their bid.

Bruce Lymburn replied that Kaufman and Broad were indeed a good company and that their land plan was most consistent but they had not complied with the Sixth Amendment. However, if the Commission wished it could waive the number of bidders and expand the list.

President Normandy stated that the Commission would open themselves up to considerable risks by going against its own rules. Mr. Lymburn agreed that there could be others firms who could have brought in differently structured bids. He said that the Sixth Amendment was not ambiguous. He wondered why Kaufman and Broad had actually done what they had done.

Mr. McMullen replied that they had changed the structure thinking out of the box and being creative to make the deal attractive.

Commissioner Makras stated that he was not convinced by the representative's argument and that the Commission must keep to the parameters and stay within the intent of the RFP. Commissioner Bhatt concurred that we should stick with our rules.

Commissioner Makras stated that he wanted the bidders to know that he was looking for the best price, the most money at the earliest date, and conformity to Pleasanton Ballot Measure I, and the best package for the City, the developer and the City of Pleasanton.

Commissioner Caen stated that if the bidders were unclear or had questions they should discuss it with Bruce Lymburn.

President Normandy stated that he agreed with the previous comments and that the Commission had a fiduciary duty to go for the best package possible.

Commissioner Makras moved to reject the Kaufman Broad bid as they did not meet the required \$100 million payment at closing and to also reject Standard Pacific who had not met the deposit requirements. Commissioner Bhatt seconded. The motion passed (5-0) unanimously.

Resolution No. 00-0142: Eliminating the bids submitted by Kaufman & Broad South Bay, Inc. & Johnson/MacFarlane Partners and the letter of intent proposal from Standard Pacific from further consideration in the bidding process for the Bernal property.

Commissioner Makras moved, Commissioner Bhatt seconded, to select Lake Herman Investors, GHC Bernal Investors, and Pleasanton Park Partners to submit their best and final bids; passed (4-0) unanimously.

Resolution No. 00-0143: Inviting the top three bidders to submit best and final bids set forth in the RFQ for the purchase of the Bernal Property.

Thereupon, the meeting was adjourned: 5:38 P.M.

Jill R. Thompson
Secretary

AGENDA

PUBLIC UTILITIES COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 31, 2000
1:30 P.M.

City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

BUREAUS

Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

For information contact the Commission Secretary at 554-3165.

Agendas and other information are available on the Public Utilities Commission website: www.ci.sf.ca.us/puc

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call
3. Public Comments

Members of the public may address the Commission on matters that are within the Commission's jurisdiction and are not on today's agenda.

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

SPECIAL ORDER OF BUSINESS

4. Discussion and possible action related to the selection of the successful bidder to purchase the Bernal Property and sale of the Bernal Property.

ADJOURNMENT

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Public Utilities Commission of the City and County of San Francisco will hold a public hearing on Tuesday, June 27, 2000, at 1:30 P.M. in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California to consider findings in fact and judgment under Section 16.103 of the Charter of the City and County of San Francisco relating to the transfer of a total of \$29,850,000 to the general fund from Hetch Hetchy Water and Power.



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

SPECIAL MEETING

May 31, 2000
1:30 P.M.
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

DOCUMENTS DEPT

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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Water Pollution Control

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Commercial Land Management
Customer Service
Finance
Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY



1. Call to order: 1:45 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Commissioner Ashok Bhatt
3. Public Comments
There was none.

SPECIAL ORDER OF BUSINESS

4. Discussion and possible action related to the selection of the successful bidder to purchase the Bernal Property and sale of the Bernal Property.

President Normandy asked the three bidders to make a presentation to the Commission. Each firm was given ten minutes to make their presentation. The sequence of presentation was determined by drawing lots from a "hat" by a Senior Representative of each firm.

The first presenter was GHC Bernal Investors, Inc., followed by Lake Herman Investors, LLC (Signature Properties and Shapell Industries), and lastly, Pleasanton Park Partners (Suncrest Homes, Inc./Ponderosa Homes II Inc., and Keenan Land Co., LLC).

GHC Bernal Investors, Inc.

Mr. Patrick Costanzo, Jr., Senior Vice President of Greenbrier, commented that he heard there might be a change in the bid process involving verbal bids to be received. He stated that their firm followed the bid procedures and they object to a change in the process. President Normandy stated that there was no deviation from the procedure.

Mr. Costanzo outlined the contents of Greenbrier's bid package. He stated that he was confident that their firm would be successful negotiating with Pleasanton. They have extensive experience in Pleasanton area and believed that they are the only developer to get a substantial project approved and constructed in the Pleasanton area. They met with every Pleasanton Council member and staff; and they felt confident that they could be successful with Pleasanton. They presented the Pleasanton City Attorney with the tight schedule and agreement.

Responding to Commissioner Makras' inquiry, Mr. Costanzo explained that "BMR" meant the Below Market Rate. BMR is a way of meeting affordable housing requirement. They were proposing apartment projects with rental rates ranging from low income to moderate-income rent.

Commissioner Makras inquired about the advantage of grouping this type of housing to Pleasanton. Mr. Costanzo stated that this is a way of meeting ABAG recommendation to include lower income housing. He stated that the Pleasanton City Council reacted positively to this plan and thought of it as a modified Measure I.

Lake Herman Signature Properties

James Ghielmetti, President and CEO of Lake Herman Investors, commented that their firm has extensive experience building in Pleasanton. They met with the majority of the City Council and they preferred Lake Herman to do the project.

Commissioner Caen requested to explain the details of the 30% difference in the appraisal and the amount of land covered. Mr. Ghielmetti responded that they would have the whole property (507 acres) appraised; and if the property were appraised higher than the purchase price of \$123 million, PUC would receive 30% of the amount above the \$123 million. If the value falls, Lake Herman would pay \$123 million. President Normandy asked if Lake Herman could put this offer in writing, to which Mr. Ghielmetti responded positively.

Commissioner Makras asked about Lake Herman's BMR Program. Mr. Ghielmetti stated that they had thought about it but he thought it should be mixed, which they have done in the past with their East Palo Alto project.

Pleasanton Park Partners (Suncrest Homes, Inc., Ponderosa Home II, Inc., and Keenan Land Co. LLC.)

Kyle Morgan, Chair of Ponderosa Homes, commented that Ponderosa Homes has built over 1000 plus homes since 1980. He stated Pleasanton Park Partners have the experience and relationships to make the project happen.

Mr. Morgan stated that Pleasanton Park Partners did not include BMR in their proposal but intend to address it during the negotiation with the City. He noted that limiting the number of houses to Measure "I" limit would enhance the process of moving forward. They had submitted two proposals; one of the proposal had an extra year for closing. He stated that they have had some discussions with the Pleasanton Council and the City Manager; and they seemed to like the number of housing units they proposed.

President Normandy invited public comments. There was none.

President Normandy thanked the bidders for responding to the RFP and the members of the negotiation team.

Commissioner Makras remarked that the highest bid received was \$126 million. He urged the Commission to consider a firm's qualification and experience and

pick the best negotiator with Pleasanton and not be swayed by a \$3 million difference. He believed that Lake Herman would deliver the goods from the entitlement perspective.

Commissioner Cook commented that the three bidders were equally qualified but he would recommend GHC Bernal Investors who offered the highest bid of \$126 million. President Normandy and Commissioner Caen both expressed their concurrence with Commissioner Cook's recommendation.

President Normandy entertained a motion either to select Lake Herman Investors or GHC Bernal Investors.

Commissioner Caen moved, seconded by Commissioner Cook, to select GHC Bernal Investors, Inc.

Commissioner Makras questioned why the basis of selection was money rather than qualifications. He referred to the Negotiating Team's memo, which stated "Lake Herman has the strongest combination of Pleasanton community relationships, development experience and track record of success".

Commissioner Caen expressed her opinion that the selection was more than qualifications, but looking at the deal. She noted that the Commission should not take risks with the public money. She was not convinced that the \$3 million difference could be recouped.

President Normandy took the vote. The motion to select GHC Bernal Investors, Inc. passed (4-1). Commissioner Makras voted no.

Resolution No. 00-0144: Adopts CEQA findings for the Alameda County Environmental Impact Report and the City of Pleasanton Environmental Impact Report; selects GHC Bernal Investors, LLC as the highest qualified to purchase the Bernal Property; authorize the General Manager to execute the Option Contract; and authorize sale of the Bernal Property to the highest qualified bidder.

Thereupon, the meeting was adjourned: 3:50 P.M.

Jill R. Thompson
Secretary

AGENDA
PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr.
MAYOR

SPECIAL MEETING

May 31, 2000
Following the 1:30 P.M. Special Meeting
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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City Distribution Division
Water Supply & Treatment
Hetch Hetchy Water & Power
Clean Water Program
Water Pollution Control

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Commercial Land Management
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System Planning Environment and Compliance
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Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY

Disability Access

The Public Utilities Commission meeting will be held in Room 400, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA. The Commission meeting room is wheelchair accessible. The closest accessible BART station is the Civic Center Station at United Nations Plaza and Market Street. Accessible MUNI lines serving this location are: #42 Downtown Loop, and #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro Stations at Van Ness and Market and at Civic Center. For information about MUNI accessible services call (415) 923-6142. There is accessible curbside parking adjacent to City Hall on Grove Street and Van Ness Avenue and in the vicinity of the Veterans Building at 401 Van Ness Avenue adjacent to Davies Hall and the War Memorial Complex.

The following services are available on request 48 hours prior to the meeting; except for Monday meetings, for which the deadline shall be 4:00 p.m. of the last business day of the preceding week: For American sign language interpreters or the use of a reader during a meeting, a sound enhancement system, and/or alternative formats of the agenda and minutes, please contact Romaine Boldridge at (415) 554-3165 or our TDD at (415) 554-3488 to make arrangements for the accommodation. Late requests will be honored, if possible.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals. Individuals with chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-6060.

Know your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code)

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils, and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force, Rachel Arnstine O'Hara, Clerk, City Hall, Room 362, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683 at Phone No.: (415) 554-6171; Fax No.: (415) 554-6177; E-mail: Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Admin Code §16.520-16.534] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street #801, San Francisco, CA 94102, telephone (415) 554-9510, fax (415) 703-0121 and web site <http://www.ci.sf.ca.us/ethics/>.

ORDER OF BUSINESS:

1. Call to Order
2. Roll Call

THE FOLLOWING MATTERS BEFORE THE PUBLIC UTILITIES COMMISSION ARE RECOMMENDED FOR ACTION AS STATED, BY THE GENERAL MANAGER OF PUBLIC UTILITIES, AND CITY ATTORNEY WHERE APPLICABLE.

Explanatory documents that have been provided to the Commission in connection with this agenda are available for public inspection and copying at the office of the Commission Secretary, 1155 Market Street, 4th Floor, San Francisco, CA 94103, Telephone: (415) 554-3165, Fax: (415) 554-0796.

CLOSED SESSION

3. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions

ADJOURNMENT



San Francisco Public Utilities Commission
City and County of San Francisco

Willie L. Brown, Jr.
MAYOR

MINUTES

SPECIAL MEETING

May 31, 2000
Immediately following the 1:30 P.M. Meeting
City Hall, Room 400
1 Dr. Carlton B. Goodlett Place

COMMISSIONERS

E. Dennis Normandy, President
Victor G. Makras, Vice President
Frank L. Cook
Ann Moller Caen
Ashok Kumar Bhatt

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BUREAUS

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Management Information Systems
Personnel and Training
System Planning Environment and Compliance
Utilities Engineering Bureau
Water Quality

John P. Mullane Jr.
GENERAL MANAGER

Jill R. Thompson
SECRETARY



THIS MEETING WAS HELD IN CONJUNCTION WITH THE 1:30 P.M. SPECIAL MEETING.

1. Call to order: 1:45 P.M.
2. Roll Call: Present - President E. Dennis Normandy, Vice President Victor G. Makras, Commissioner Frank L. Cook, Commissioner Ann Moller Caen, Commissioner Ashok Bhatt

CLOSED SESSION

3. Conference with Legal Counsel – Pursuant to Government Code Section 54956.9(b)(c) and Conference with Real Property Negotiator – Pursuant to Government Code Section 54956.8 and Administrative Code Section 67.8:

Anticipated Litigation:	As Plaintiff and as Defendant
Property:	500+ acres of San Francisco Water Department property on Bernal Avenue in Alameda County
Parties Negotiating:	Lymburn/Thompson/Malamut City of Pleasanton
Under Negotiation:	Terms and Conditions
4. Public comments on matters to be discussed in Closed Session.

There was none.
5. Motion on whether to assert the attorney-client privilege regarding the matters listed above as Conference with Legal Counsel.

Moved by Commissioner Cook, seconded by Commissioner Caen, to assert the attorney-client privilege; passed (5-0) unanimously.

The Public Utilities Commission met in Closed Session from 1:50 P.M. to 2:57 P.M. to discuss the above listed item.
6. Announcement following Closed Session.

President Normandy announced that no action was taken on Item 3.
7. Motion regarding whether to disclose the discussions during Closed Session.

Moved by Commissioner Cook, seconded by Commissioner Bhatt, not to disclose the discussions during Closed Session; passed (5-0) unanimously.

Thereupon, the meeting was adjourned:

3:00 P.M.

Jill R. Thompson
Secretary

